



## FRANCHISE DISCLOSURE DOCUMENT

True Value Specialty Company, LLC  
A Delaware Limited Liability Company  
8600 W. Bryn Mawr Avenue  
Chicago, IL 60631  
(773) 695-5000  
[www.truevaluerental.com](http://www.truevaluerental.com)

We offer franchises for rental stores operated under the True Value Rental brand that primarily rent tools, party supplies, machines and other products.

The total investment necessary to begin operation of a True Value Rental rental store franchise is \$543,200 to \$981,500 for a new franchise and \$42,750 to \$591,500 for a conversion franchise. This includes between \$402,750 and \$706,500 that must be paid to us or an affiliate if it is a new franchise and \$2,750 to \$406,500 if it is a conversion franchise.

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 Eric Lane, 8600 West Bryn Mawr Avenue, Chicago, Illinois 60631, and telephone (773) 695-5000.

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, N.W., 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.

Issuance Date: March 28, 2022.

## How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits I and J.
<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 G 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 True Value Rental 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 True Value Rental franchisee?</b>	Item 20 or Exhibits I and J 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 Risk(s) to Consider About *This* Franchise**

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

**Out-of-State Dispute Resolution.** The Franchise Agreement requires you to resolve disputes with the franchisor by mediation (in a city chosen by the mediator), and by litigation only in Illinois. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate (in a city chosen by the mediator) or litigate with the franchisor in Illinois than in your own state.

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

**THE FOLLOWING PROVISIONS APPLY ONLY TO  
TRANSACTIONS GOVERNED BY  
THE MICHIGAN FRANCHISE INVESTMENT LAW**

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

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

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

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

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

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

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

**ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO: THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE SECTION, 525 WEST OTTAWA STREET, LANSING, MICHIGAN 48909, TELEPHONE: 517-373-7117.**

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## Item 1

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

“We,” “us” or “our” means True Value Specialty Company, LLC, the franchisor. “You” means a person who buys a franchise from us including any business entity and its owners. If you want to operate your franchise through a company or other entity, you must sign a personal guaranty (**Exhibit C**), and you and that company or other entity must comply with all provisions in the Franchise Agreement (**Exhibit D**).

We were organized in Delaware on April 24, 1997 as TruServ Specialty Company, LLC and changed our name to True Value Specialty Company, LLC as of March 18, 2005. Our principal business address is 8600 W. Bryn Mawr Avenue, Chicago, Illinois 60631. We do business as True Value Specialty Company, LLC and do not intend to do business under any other name. We are a limited liability company. We do not have any predecessors required to be disclosed in this disclosure document.

We are a wholly owned subsidiary of True Value Company, L.L.C. a Delaware limited liability company (“True Value”), which is a wholly owned subsidiary of TV Holdco, L.L.C., a Delaware limited liability company (“TVH”), which is a wholly owned subsidiary of ACON Investments, L.L.C. (“ACON”). Neither True Value, TVH, nor ACON have ever operated a rental business nor have they offered franchises in any line of business. True Value’s principal business address is the same as ours. True Value is a wholesale distributor of hardware, lumber and building materials, and related merchandise for retail businesses. True Value may provide products and services to you. True Value has absolutely and unconditionally guaranteed all of our obligations under the Franchise Agreement. TVH’s principal business address is the same as our address. ACON’s principal business address is 1133 Connecticut Avenue, NW, Suite 700 Washington DC 20036.

Our agents for service of process are disclosed in **Exhibit B**.

### **The Franchises We Offer**

We offer franchises for the establishment and operation of rental stores that primarily rent tools, party supplies, machines and other products. These stores are operated under the True Value Rental trademark and any other trademarks, trade names and service marks we may authorize (the “Marks”). You must sign our standard Franchise Agreement if we grant you a True Value Rental franchise. You will operate your True Value Rental store from the location identified in your Franchise Agreement (the “Location”). You will operate your True Value Rental store in accordance with our operating system. Among other things, you must maintain for rental the inventory of products we specify, carry the mix of products for rental we require and operate using our valuable know-how, trade secrets, confidential information, standards, designs, methods of trademark usage and research and development.

When you sign the Franchise Agreement, you will also sign the Rental Store Development Project Agreement (**Exhibit K**) (“Store Development Program”). The Store Development Program is described in Item 5 and is designed to assist you with initial store layout, interior and exterior store design, merchandising of product, point-of-sale customer communication, product assortment, and other initial marketing issues.

We intend to sell True Value Rental franchises to unaffiliated third parties as well as those who may be currently operating a rental franchise under one of our different brands.

## **General Market for Your Products and Services/Competition**

The market for the goods and services you will offer is well developed. Your competition includes other national chains that offer rental services either alone or in addition to other products and services. Your competition may also include local outlets for these products and services that are unaffiliated with national chains. Depending upon where you are located, you may also compete with True Value hardware stores that offer rental services as a component of their hardware store, either under the True Value Rental brand or another brand.

## **Laws and Regulations**

There are state laws and regulations specific to operating the rental business described in this franchise disclosure document. We urge you to make further inquiries about these laws and other state and federal laws that apply generally to all businesses. For example, your business is subject to state and federal regulations that allow the government to restrict travel and/or require businesses to close during state or national emergencies. Because your business is operated from a destination to which your customers must travel, your business can be affected by such orders more than others.

## **Our Prior Experience**

Although we have offered franchises since July 1997 we have not operated a rental store. We offered rental franchises under the Grand Rental Station and Taylor Rental/Taylor Rental Center marks from July 1997 to March 2016, when we stopped offering franchises under these marks and began offering franchises under only the True Value Rental mark. From April 1998 to August 2012 we offered rental franchises under the Party Central mark and also offered our franchisees the option to participate in our Commercial Sales program. We have not offered franchises in any other lines of business.

## **Item 2**

### **BUSINESS EXPERIENCE**

#### **President and Manager: Jeffrey M. Olson**

Mr. Olson has been our President and has served on our Board of Managers since March 2021. Since March 2021, Mr. Olson has also been Senior Vice President and Chief Financial Officer of True Value Company, L.L.C. From February 2019 to March 2021, Mr. Olson was Vice President, Finance for the AZEK Company, a manufacturer of outdoor living products, located in Chicago, Illinois. From March 2016 to February 2019, Mr. Olson was the Vice President, Industrial at Essendant Inc., a wholesale distributor of business products, located in Deerfield, Illinois.

**Secretary and Manager: John C. Hammerle**

Mr. Hammerle has been our Secretary and has served on our Board of Managers since June 2021. Since June 2021, Mr. Hammerle has also been Vice President and General Counsel of True Value Company, L.L.C. From December 2016 to June 2021, Mr. Hammerle held the following positions at True Value Company, L.L.C.: from February 2021 to June 2021, he was Assistant General Counsel , from October 2018 to February 2021, he was Associate General Counsel, from November 2017 to October 2018, he was a Senior Attorney and from December 2016 to November 2017, he was an Attorney.

**Vice President: Eric Lane**

Mr. Lane has been our Vice President since March 2011. Mr. Lane served on our Board of Directors from March 2011 to July 2018. He also has been True Value’s Vice President of Specialty Business since February 2011. Previously he served as Director of Business Development from August 2008 to January 2011. He works from our Chicago office.

**Treasurer: Brian Qualizza**

Mr. Qualizza has been our Treasurer and True Value’s Divisional Vice President and Treasurer since November 2018. He joined True Value in November 2015 as the Assistant Treasurer.

**Business Manager of Specialty Business: Jennifer Zerwer**

Ms. Zerwer has served as our Business Manager of Specialty Business since January 2020. From January 2017 to December 2019 she served as our Home & Garden Showplace Business Manager. From November 2014 to December 2016 she served as our Product Marketing Manager for Outdoor Departments.

**Rental Operations Consultant: Kyle Ewert**

Mr. Ewert has worked for us as the Commercial Sales and Rental Specialist since January 2020. Prior to that he was the Operations Consultant from April 2016 to January 2020. From January 2013 to March 2016 he was employed as an Operations Manager at a United Rental branch located in Joliet, Illinois.

**Item 3**

**LITIGATION**

There is no litigation required to be disclosed in this Item.

**Item 4**

**BANKRUPTCY**

No bankruptcies must be disclosed in this Item.

## Item 5

### INITIAL FEES

You must pay an initial fee of \$2,500, which is fully earned by us at the time you sign the Franchise Agreement. We will bill you for this fee after you sign the Franchise Agreement and you must pay the fee upon your receipt of an invoice for the fee. If you are converting from one of our other brands, we will not charge this fee to you.

You must sign a Rental Store Development Project Agreement and pay to us a design fee of \$250 and if you would like us to provide project management services, a project management fee of \$3,750. The design fee is due when you sign the Franchise Agreement and the project management fee is due upon credit approval. Under the Store Development Program we assist you with initial store layout, interior and exterior store design, merchandising of product, point-of-purchase customer communication, product assortment, and other initial marketing issues.

If you are a new franchisee, you must purchase an opening inventory of between \$400,000 and \$700,000 from True Value or our approved vendors. If you are converting an existing rental business to a True Value Rental, we will review your existing inventory and advise you on the amount and type of inventory you must purchase to meet our standards. In all events, the amount of the inventory depends on your store size. If you purchase this inventory from True Value, you must pay for this inventory before your store opens. In any event, you must sign the True Value Company, L.L.C. Terms and Conditions of Sale (the “True Value Company Terms and Conditions of Sale”) before you can purchase inventory from True Value. The form of this document can be found at **Exhibit O**.

No fee or other amount described in this Item 5 is refundable.

## Item 6

### OTHER FEES

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Royalty <sup>(2)</sup>	1.5%-3% of Gross Rental Receipts subject to minimum and maximum amounts as described in Note 2 <sup>(2)</sup>	Monthly	See Note 2
Brand Fund Contribution	\$30 per month	Monthly	
Audit	\$500 plus our costs in conducting audit	Upon demand	Only if we audit your business.
Electronic Services Fee <sup>(3)</sup>	\$225-\$525 per month	Upon receipt of an invoice	If you use our vendor to provide you with a website, social media or email services.

<b>Type of Fee <sup>(1)</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Unauthorized Mark Usage	\$500 per day	Upon demand	Payable to True Value if you fail to terminate use of the marks within 30 days of termination of the Retail Member Agreement, including usage of signage or other advertising containing any of the marks.
Interest	1.5% per month on past due amounts	Payable monthly	
Service Failure Fee	The cost of our representative	Upon receipt of our invoice	If we assign one of our representatives to your store because you fail to meet our standards
Insurance Fee	Amount we pay for the insurance	Immediately after notice from us.	If we obtain insurance for you because you fail to obtain or maintain required insurance.
Indemnification	Will vary with circumstances	As incurred	You must reimburse us if we are liable for claims from your business operation and for damages arising out of your breach of the Franchise Agreement or any other agreement with us or True Value and you must indemnify True Value and its agents for damages sustained by it based on your sale of products into international locations if the products do not comply with the applicable law..

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Costs and Attorneys' Fees	Will vary with circumstances	As incurred	Due if we incur expenses in any legal action we bring against you or in defending any you bring against us.
Termination Fee	Will vary based upon when termination occurs	At least 10 days before termination	Note 4
Equipment/Product Purchases	Varies based on item purchased	As incurred	You will rent/sell these items to your customers

**Notes to Item 6**

- (1) **Fees and Payments.** Except as noted, all of these fees and payments are imposed and collected by and payable to us. All fees and payments are non-refundable and uniformly imposed, except that franchisees signing earlier franchise agreements or who are operating under different trademarks may not be required to pay some of these fees or may be paying lower fees for some of these items. You must pay these fees via electronic funds transfer or direct deposit as we specify. If your state, or any governmental body in your state, charges a tax on the fees we receive from you, then you must pay an additional fee equal to the amount of this tax. This does not apply to any federal or Illinois income taxes we have to pay.
- (2) **Royalty.** The royalty percentage of your Gross Rental Receipts will depend upon whether you are a new franchisee or a conversion franchisee. If you are a new franchisee, the royalty percentage will be 3% of your monthly Gross Rental Receipts, with a maximum annual cap of \$21,000. If you are a conversion franchisee, the royalty percentage will be 1.5% of your monthly Gross Rental Receipts, with a maximum annual cap of \$10,500. In each case subject to the monthly minimum discussed below.

“Gross Rental Receipts” means all revenues generated at or from the store, whether evidenced by check, cash, credit, charge account, exchange, or otherwise, and includes the amounts received from the rental of tangible property of every kind and nature together with the amount of all rental orders taken or received at the store whether such orders are filled from the store or elsewhere. Gross Rental Receipts does not include any sales taxes or other taxes you collect from customers and pay to the appropriate taxing authority, truck rentals under a bona fide license agreement with a third party, propane sales, damage waiver revenues, sales of merchandise, cleaning fees, pickup and delivery fees, sales of new or used equipment or maintenance charges.

The obligation for you to pay the royalty begins in the month after the month that your store opens for business. For that month and each month after that, until we adjust your royalty payment, you must pay us at least \$200 per month. Once we adjust your royalty payment, you must pay us the adjusted monthly amount as determined below until a subsequent adjustment. But in no event will this amount be less than \$200 per month.

Currently, each April you will report to us your Gross Rental Receipts for the calendar year just ended (or such longer period as discussed below). Your annual Gross Rental Receipts are multiplied by 1.5% if you are a conversion franchisee or 3% otherwise and the resulting dollar

amount is divided by 12, and this amount will be the royalty payment beginning on July 1st of that year and continuing through June 30th of the next year.

If you do not report to us your Gross Rental Receipts for any period, we will charge you \$1,200 per month for each month beginning in July of the year in which we make the request and ending in June of the next year. The maximum annual cap will not apply in this situation. If you have been a franchisee for less than 12 months as of the initial April after you sign your Franchise Agreement we will not adjust your royalty payment until the next April, with the first adjusted payment being due in July. However, when we do determine your royalty payment we will take into account your Gross Rental Receipts for the entire period of time you have been a franchisee through the end of the calendar year before the year in which the adjustment is made.

- (3) Electronic Services Fee. The amount of the fee will depend upon what services you request from our vendor. We collect this fee for our vendor.
- (4) Termination Fee. If you operate an existing business with the True Value Rental store and you sell this business to an unaffiliated third party, you can terminate your Franchise Agreement as long as you notify us and pay us a termination fee equal to the average royalty fee for the prior 12 months multiplied by 24 or the number of months remaining in the term, if less than 24.

**Item 7**

**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

<b>Type of expenditure</b>	<b>Estimated Low-High Range New Franchise</b>	<b>Estimated Low-High Range Conversion Franchise</b>	<b>Method of Payment</b>	<b>When due</b>	<b>To whom payment is to be made</b>
Initial Franchise Fee	\$2,500	\$2,500	Lump Sum	Upon receipt of an invoice	Us
Project Management and Design Fees (1)	\$250-\$4,000	\$250-\$4,000	Lump Sum	Before Opening	Us
Fixture, Furniture and Signage (2)	\$25,000-\$50,000	\$10,000-\$30,000	Lump Sum	Before Opening	Third Party Vendor
Real Property (3)	See Note 4	See Note 4	See Note 4	See Note 4	See Note 4
Opening Inventory (4)	\$400,000-\$700,000	\$0-\$400,000	Lump Sum	Before Opening	Third parties, including True Value
Vehicle Lease-Buy(5)	\$450-\$25,000	\$0-\$20,000	Lump Sum or Lease	Before Opening	Third Parties
Add-On Inventory	\$30,000-\$40,000	\$10,000-\$25,000	As Incurred	As Incurred	Third Parties, including True Value
Insurance (6)	\$10,000-\$20,000	\$0-\$20,000	As Incurred	As Incurred	Third Party
Point of Sale System(7)	\$10,000-\$50,000	\$0-\$50,000	Lump Sum	Before Opening	Third Party Vendor
Deposits/Licenses (8)	\$5,000-\$10,000	\$0-\$10,000			

Type of expenditure	Estimated Low-High Range New Franchise	Estimated Low-High Range Conversion Franchise	Method of Payment	When due	To whom payment is to be made
Misc. Opening Costs (9)	\$20,000-\$30,000	\$20,000-\$30,000	As Incurred	As Incurred	Third parties
Additional Funds- 3 months (10)	\$40,000-\$50,000	\$0	As Incurred	As Incurred	Third parties and/or us
<b>Total Estimated Initial Investment</b>	\$543,200-\$981,250	\$42,750-\$591,250			

### Notes

All fees and payments in the above table are non-refundable, unless noted below.

(1) You must participate in the Store Development Program which is a program to assist you with initial store layout, interior and exterior store design, merchandising of product, point-of-sale customer communication, product assortment, and other initial marketing issues. Under the Rental Store Development Project Agreement, you must pay a non-refundable design fee of \$250 and if you request project management services, a non-refundable project management fee of \$3,750. The Rental Store Development Project Agreement is attached to this franchise disclosure document as **Exhibit K**.

(2) Includes both interior and exterior signage. The Estimated Low-High Range for a Conversion Franchise assumes a portion of your fixtures, furniture and signage meet our requirements and will not need to be replaced.

(3) These estimates do not include any sums for the purchase or lease of real estate as we have assumed you will already own or lease a store that will not need to be improved. If you do not already own or lease a store, you must, at your option, lease or buy the land and building for the store. The typical store has 5,000-10,000 square feet. Rent is estimated between \$5.00 and \$15.50 net per square foot depending on market conditions. If you are a conversion franchisee we have assumed you already have space meeting our requirements.

(4) The amount of inventory depends on store size and anticipated turnover, but is a minimum of \$400,000. The low range of the Estimated Low-High Range for a Conversion Franchise assumes you will not need to replace any of your inventory. The high range assumes you will need to replace all of your inventory.

(5) The low range of the Estimated Low-High Range for a Conversion Franchise assumes you already have a vehicle that meets our requirements.

(6) This estimate is for a 1-year premium for building insurance on a 5,000 square foot facility, business personal property insurance, business income protection insurance, inland marine coverage for \$500,000 of rental inventory, \$1,000,000 of general liability coverage, commercial automobile liability coverage and worker's compensation coverage. The low range of the Low-High Range for a Conversion Franchise assumes your existing insurance meets our requirements.

(7) The low range of the Estimated Low-High Range for a Conversion Franchise assumes your existing POS system meets our requirements.



(8) The low range of the Estimated Low-High Range for a Conversion Franchise assumes you already have all licenses required to operate and you will not need to make any additional vendor deposits.

(9) The high estimate includes the purchase of a computer that meets our specifications. These estimates also include funds for professional fees, lease and grand opening promotion, website development and marketing support.

(10) This item estimates your initial start-up expenses (other than the items identified separately in the table, except insurance) during the first 3 months in operating your business. These expenses include expenses for payroll costs but not any draw or salary for you. These figures are estimates, and we cannot guarantee that you will not have additional expenses in starting the business or during the first 3 months. Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period. We do not offer financing directly or indirectly for any part of the initial investment. These estimates do not include any finance charges, interest or debt service obligations. The Low-High Range for a Conversion Franchise assumes you will have adequate sales to fund your operations during the first 3-months after opening.

We relied on our experience since July 1997 to compile these estimates. These estimates will vary depending upon location, size of store and other factors. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

## **Item 8**

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

#### **Items to Be Purchased Pursuant to Our Specifications**

Currently, any signage for your store, your insurance, your point of sale system, your computer, your inventory, apparel, floor mats, fixtures and store decor must meet our specifications. Those specifications may include minimum standards for performance, design, and quality. We will issue the specifications to you near or at the time you begin operating. As we develop additional specifications, or require specifications for additional items, we will separately deliver them to you. We may include these specifications in our manuals that we loan to you, place them on our website, or issue them separately. We may modify any of the specifications at any time. We may include these modifications in our manuals that we loan to you, place them on our website, or issue them separately. While we do not have specifications for local advertising you create to promote your business, we may require you to obtain our approval before using any advertising materials you prepare or before placing any content on any website, web page, social media and/or social networking site, relating to or making reference to us or your business, and you may not establish or have established such a site, profile or account without our approval.

#### **Required and Optional Purchases**

You may purchase opening inventory and other ongoing inventory from True Value, or another supplier that we approve. You must use our design services for your Store. We have approved only one vendor to provide you with website, email and social media services. We do not intend to approve other vendors for these services.

In addition to the above, in the future we may require you to purchase other items for your business from us, an affiliate or a third party we have approved. We may approve only a single source to be the supplier of any of these items. This source may be us, an affiliate or a third party. We and our affiliates intend to earn a profit on any goods or services we sell to you.

### **Other Approved Suppliers**

Except for the items discussed above, there currently are no goods, services, supplies, fixtures, equipment, inventory, computer hardware and software or real estate concerning your franchise that you must purchase or lease from us or designated or approved suppliers.

The criteria for approving suppliers is not available to you. A proposed supplier must fill out an application and other paperwork and provide a certificate of insurance. We do not charge you for our time spent in reviewing alternate suppliers. We will generally notify you of approval of a supplier within 60 days from the time you provide us with all information we request about the supplier. We may revoke approval of a supplier at any time by providing you with notice of the revocation.

None of our officers own an interest in any required supplier of ours.

### **Revenues We Derive From Franchisee Purchases**

In 2021, our total revenues were \$1,181,351 and our revenues from purchases and leases of products and services by our franchisees were \$83,770 or approximately 7% of our total revenues. In 2021, our affiliate's revenues from purchases and leases of products and services by our franchisees was \$26,859,904. This information was taken from our audited financial statements and our affiliate's unaudited financial statements.

We may receive rebates, other discounts or free services from suppliers. We would expect these rebates to typically be a percentage of the amounts purchased by our franchisees from suppliers. We will retain any rebates we receive. True Value receives rebates from suppliers based upon franchisee purchases. These rebates range from approximately 0.5 percent to 5 percent of the amount purchased from the supplier. True Value retains these rebates.

We estimate that the proportion of required purchases and leases to all purchases and leases will range from 10% to 50% in establishing your business and range from 5% to 10% in operating your business.

We attempt to negotiate purchase arrangements with suppliers. We have entered into an agreement with the American Rental Association under which the American Rental Association will extend member benefits to all of our franchisees. Our franchisees will also receive member-preferred pricing to the annual The Rental Show, held in various locations. True Value periodically negotiates purchase arrangements with suppliers which may benefit our franchisees. We do not provide any material benefits based on your use of approved suppliers.

**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.**

<b>Obligation</b>	<b>Section in agreement</b>	<b>Disclosure document item</b>
a. Site selection and acquisition/lease	Franchise Agreement - Section 3(a)  True Value Company Terms and Conditions of Sale – Not applicable	Item 11  None
b. Pre-opening purchases/leases	Franchise Agreement - Sections 3(b) and 11(a)  True Value Company Terms and Conditions of Sale – See Price and Payment Section	Items 5, 6, and 7  Item 5
c. Site development and other pre-opening requirements	Franchise Agreement - Sections 3(a), 8(a) and 9(a)  True Value Company Terms and Conditions of Sale – Not applicable	Items 5, 7 and 11  None
d. Initial and ongoing training	Franchise Agreement - Sections 8(a) and (b)  True Value Company Terms and Conditions of Sale – Not applicable	Item 11  None
e. Opening	Franchise Agreement - Section 9(a)  True Value Company Terms and Conditions of Sale – Not applicable	Item 11  None

<b>Obligation</b>	<b>Section in agreement</b>	<b>Disclosure document item</b>
f. Fees	Franchise Agreement - Sections 4, 5, 6(a) and 7  True Value Company Terms and Conditions of Sale – See Price and Payment, and Volume Rebate Sections	Items 5, 6, 7 and 11  Item 5 and 6
g. Compliance with standards and policies/operating manual	Franchise Agreement - Sections 8(c), 9(c) and (d)  True Value Company Terms and Conditions of Sale – See Seller Information Section	Items 11 and 14  None
h. Trademarks and proprietary information	Franchise Agreement - Sections 10 and 14  True Value Company Terms and Conditions of Sale – See License of Marks Section	Items 13 and 14  None
i. Restrictions on products/services offered	Franchise Agreement - Sections 11(a) and (b)  True Value Company Terms and Conditions of Sale – Not applicable	Items 8 and 16  None
j. Warranty and customer service requirements	Franchise Agreement - Section 9(c)  True Value Company Terms and Conditions of Sale – Not applicable	None  None
k. Territorial development and sales quotas	Not applicable	None
l. Ongoing product/service purchases	Franchise Agreement - Section 11(a)  True Value Company Terms and Conditions of Sale – Not applicable	Items 6 and 8  None

<b>Obligation</b>	<b>Section in agreement</b>	<b>Disclosure document item</b>
m. Maintenance, appearance and remodeling requirements	Franchise Agreement - Sections 3(b), 3(d), 9(f) and 9(h)  True Value Company Terms and Conditions of Sale–Not applicable	Items 5, 7, 8, and 11  None
n. Insurance	Franchise Agreement - Section 13  True Value Company Terms and Conditions of Sale – Not applicable	Items 6 and 8  None
o. Advertising	Franchise Agreement - Sections 6(c)-(e)  True Value Company Terms and Conditions of Sale – Not applicable	Items 6, 8 and 11  None
p. Indemnification	Franchise Agreement - Section 21(b)  True Value Company Terms and Conditions of Sale – See Acknowledgements	Item 6  Item 6
q. Owner’s participation/management/staffing	Franchise Agreement - Section 9(b)  True Value Company Terms and Conditions of Sale – Not applicable	Item 15  None
r. Records and reports	Franchise Agreement - Sections 5(b) and 12  True Value Company Terms and Conditions of Sale – Not applicable	Item 8  None

<b>Obligation</b>	<b>Section in agreement</b>	<b>Disclosure document item</b>
s. Inspections and audits	Franchise Agreement - Section 12(b)  True Value Company Terms and Conditions of Sale – Not applicable	None  None
t. Transfer	Franchise Agreement - Section 16  True Value Company Terms and Conditions of Sale – See Termination/Default and Assignment Sections	Item 17  Item 17
u. Renewal	Franchise Agreement - Section 2(b)  True Value Company Terms and Conditions of Sale – See Termination/Default Section	Item 17  Item 17
v. Post-termination obligations	Franchise Agreement - Sections 15(a)(2) and 19(e)  True Value Company Terms and Conditions of Sale – See Termination/Default Section	Item 17  Item 16 and 17
w. Non-competition covenants	Franchise Agreement - Section 15(a)  True Value Company Terms and Conditions of Sale – Not applicable	Item 17  None
x. Dispute resolution	Franchise Agreement - Section 20(a), (b) and (e)  True Value Company Terms and Conditions of Sale – See Governing Law; Jurisdiction Section	Item 17  Item 17
y. Guarantee of franchisee obligations (Note 1)	Attached to Franchise Agreement	Items 16 and 22

1. If you are an entity, or you transfer the Franchise Agreement to an entity, your owners must sign a Personal Guaranty in the form attached as **Exhibit C**.

### **Item 10**

#### **FINANCING**

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

### **Item 11**

#### **FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

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

Before you begin operating your business, we will:

- Approve the site you select. (Franchise Agreement, Section 3(a).) While we do not locate the site for your store or negotiate the purchase or lease of the site, at your request, we will make available to you demographic material about possible sites, but you alone make the site decision. By performing a market survey, we are not predicting or guaranteeing that a store will be successful. Demographic factors such as population, number of households, income level and market potential are considered. We also consider visibility of the site, traffic flow, parking, ingress and egress, competition and other factors important to a retail location.

There is no specific time limit for us to approve or disapprove a prospective site. If we and you cannot agree on a store site, we will not grant a franchise for that location. We do not conform your site to local ordinances or building codes or obtain any required permits, nor do we construct, remodel or decorate your store.

- Provide a store décor and fixtures plan for the store (Franchise Agreement, Section 3(c).)
- Approve signage that must meet our specifications. (Franchise Agreement, Section 3(b).)
- Provide, at your expense, a Store Development Program under which we assist you with initial store layout, interior and exterior store design, merchandising of product, point-of-sale customer communication, product assortment, and other initial marketing issues. (Franchise Agreement, Section 3(b) and Rental Store Development Project Agreement.) We do not provide these items to you nor do we deliver or install them for you.
- Provide you with a True Value Rental Brand Standards Manual you may use in the operation of the business. (Franchise Agreement, Section 8(c).) The True Value Rental Brand Standards Manual table of contents as of the date of this disclosure document is attached to this franchise disclosure document as **Exhibit H**. As of the date of this disclosure document, the True Value Rental Brand Standards Manual contained 8 pages.

## **Opening Your Business**

Typically, our franchisees are already in business before signing the Franchise Agreement. If you are not already in business, the typical length of time between signing the Franchise Agreement or the first payment of money for the franchise and the opening of your business is 3 to 6 months. The ability to obtain a site, lease and financing requirements and weather conditions are some of the factors that may affect the time period. We do not control or take responsibility for the time it takes to open your business. If you do not open your business within 6 months of signing the Franchise Agreement we can terminate your Franchise Agreement and retain all amounts paid to us. (Franchise Agreement, Section 9(a).)

During the operation of your business, we will:

- Provide an initial training program as described below. (Franchise Agreement, Section 8(a).)
- Operate an advertising program for the franchise system. (Franchise Agreement, Section 6(a).) See below for additional information related to the program.
- Provide you with field support, including fleet evaluation and inventory consultation at the times we specify. (Franchise Agreement, Section 8(d).)
- Provide you with at least 3 days of on-site support during the initial 90 days after your store opens. Provide periodic telephone support. (Franchise Agreement, Section 8(d).)
- Provide you with additional training if you and we agree on topics, location and charges. (Franchise Agreement, Section 8(b).)

## **Advertising Program**

Under the Franchise Agreement, you must pay a Brand Fund Contribution of \$30 per month. (Franchise Agreement, Section 6(a).) We use these funds to promote the True Value Rental brand. This means we may use these funds for any purpose that promotes all or any portion of the True Value Rental brand, including creating advertising materials, and public relations campaigns, to implement advertising, and to update our website and other web pages and social media and social networking profiles and accounts that we may establish. We may also use these funds to pay internal and external expenses incurred by us or our affiliates in conducting advertising and marketing activities associated with the brand. We have no other obligation to conduct other advertising. We cannot ensure that any particular franchisee will benefit directly or indirectly or in proportion to its Brand Fund Contributions from the advertising and marketing activities we conduct or that any portion of the funds will be spent on a particular brand.

The fund in which these Contributions are placed is not audited nor are financial statements available for review for this fund. There is no periodic accounting of any of these Contributions. Amounts not spent in a given year carry over to the next year. We do not use any of these Contributions to solicit franchise sales, although these amounts may be used to update our website or other social media or social networking sites that we maintain or have maintained which may advertise franchise opportunities. We are not required to spend any amount on advertisements in your area or territory. We have no fiduciary obligation to you or any other franchisee. We determine how these Contributions will be spent. The media we use for advertising may be print, electronic, television or radio. The media coverage may be national, local or regional. We may create advertising in-house, have it created by an affiliate or use national or regional advertising agencies. (Franchise Agreement, Section 6(b).)



Although we do not currently have an advertising council, we do have a Rental Member Advisory Council that may advise us on advertising policies. The Council is currently made up of 8 members, 4 who are franchisees and 4 who are True Value members. We select all members of the Council. The Council serves only in an advisory capacity and has no operational or decision-making power. We have the power to change or dissolve the Council. You are not currently required to participate in a local or regional advertising cooperative. There are no other advertising funds in which you must participate.

We also have a second advertising fund for those franchisees of ours who are operating franchised stores under the Taylor Rental or Grand Rental Station brand. These franchisees will not contribute to the True Value Rental fund unless and until they become True Value Rental franchisees. In most cases, these franchisees contribute a monthly flat fee amount as an advertising contribution. The amounts in this fund will not be used to promote the True Value Rental brand and the amounts in the True Value Rental Brand fund will not be used to promote the marks under which these franchisees' stores are operating.

During 2021, we did not spend any advertising assessments on the True Value Rental brand. During 2021, we spent 75% of the advertising assessments for the Taylor Rental and Grand Rental Station brands on production of local advertising for franchisees and 25% on website development and promotion of these brands at a trade show.

We or an affiliate may develop advertising. For a charge, we may make available to you advertising materials such as mats, posters, decals, banners, and miscellaneous point-of-sale items.

You may use your own advertising material if it meets our standards. We may require you to submit samples of your advertising or promotional materials to us for our prior written approval. If you did not obtain our prior approval of these materials, you must immediately cease use of any materials we determine do not meet our standards upon our written notice. You may not establish or have established a website, web page, social media or social networking website, profile or account, relating to or making reference to us, our brands or trademarks, or your business without our approval, and we may require you to submit to us for our prior written approval any content you propose to include on any such site, profile or account. (Franchise Agreement, Section 6(e).) You must annually participate in and provide to us evidence of your participation in at least one local marketing event each year. (Franchise Agreement, Section 6(c).)

## **Computer System**

If you do not already have a point of sale system for your store that meets our specifications, you must purchase a point of sale system that meets our specifications before your store opens. You will use this system to measure revenue, record customer transactions and to manage your fleet of rental equipment. The cost to purchase this system is approximately \$10,000-\$50,000. You must also have a computer with Internet access capabilities. The cost to purchase a computer with Internet access capabilities is \$200-\$1,500. You will use the computer to access and navigate Membersonline.com and Netwarehouse.com. Neither we nor any affiliate or third party has any obligation to provide ongoing maintenance, repairs, updates or upgrades to your point of sale system or computer. If we update our specifications and as a result your point of sale system or computer no longer meet our specifications, you must purchase a new point of sale system or computer that meets our specifications. There is no contractual limitation on the frequency or cost of these obligations. There is no optional or required maintenance, updating, upgrading or support contracts that you must enter into with respect to your point of sale system or computer. We will have independent access to the information that will be generated or stored in your point of sale system and your computer. (Franchise Agreement, Section 9(e).)

## Training

Below is a description of our initial training program as of the date of this franchise disclosure document:

### TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Setting Up Your Store	.5	0	Online
Product Training (vendors, safety, websites)	10	0	Online
Safety/Insurance	.5	0	Online
Damage Waiver	.5	0	Online
Rental Contracts/Rental Transaction	1	0	Online
Managing Your Investment	1	0	Online
Setting Rates	.5	0	Online
<b>Totals</b>	14	0	

As of the date of this franchise disclosure document, this training session is approximately 2 days long. Training is held as often as we determine necessary and is all online. You and your manager, if different from you, must successfully complete this training within 6 months of opening your True Value Rental store. If you or your manager do not complete this training to our satisfaction, we can terminate your Franchise Agreement. (Franchise Agreement, Section 8(a).) We will provide you with a manual that reviews the subjects covered in the training session. We do not require you to complete additional training and/or refresher courses.

Our corporate officer in charge of this training is Eric Lane. He has been with our company since March 2011. His experience in the industry comes from his time with our company and its affiliate. This training is taught by members of our True Value University staff in partnership with members of the rental business unit. The average experience of these individuals with our Company or that of our affiliate ranges from approximately 30 years to approximately 1 year, and each individual will have been involved in the retail industry for at least 1 year. We do not hire or train your employees, except that we will provide the initial training program to your manager.

In most cases, we require all franchisees to attend this initial training. We would only waive training if you have been involved in the rental area for some period of time and already had what we consider the necessary experience.

We also hold seminars on subjects of interest at the semi-annual True Value Company convention/reunion. These conventions are held in various locations. Attendance at these conventions is voluntary, but you are encouraged to attend. We also encourage franchisees to attend the annual American Rental Association's The Rental Show in connection with their American Rental Association membership, as discussed in Item 8.

## **Item 12**

### **TERRITORY**

Your franchise will be for a specific location. You will not receive an exclusive territory or any minimum 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.

We have established, and we may establish in the future, in your trade area, others including other franchisees, using the Marks. We may establish in your trade area company-owned outlets or other company-owned channels of distribution using the Marks. We, and True Value, have used and we reserve the right to use in the future other channels of distribution, such as the Internet, catalog sales, telemarketing or other direct marketing sales, to make sales within your trade area using the Marks, and trademarks different from the ones that you will use under the Franchise Agreement. We do not have to pay you any compensation for soliciting or accepting orders from inside your trade area.

Except for the programs described in this franchise disclosure document, we have not established franchises, company-owned outlets or other channels of distribution selling or leasing similar products or services under a different trademark, although we may do so in the future. Other than as disclosed in this franchise disclosure document, neither we nor any affiliate operates, franchises, or has plans to operate or franchise a business under a different trademark that sells or would sell goods or services similar to those you will offer. Various members of True Value who operate commercial/industrial supply businesses or retail stores (such as hardware and home and garden centers) have established, and True Value and other members may in the future establish, rental, party supply and commercial sales operations in connection with their businesses in your trade area under different trademarks. Members of True Value who operate stores under other names may also have the right to conduct commercial sales of merchandise under the mark "Commercial Sales," may be operating Party Central, Grand Rental Station or Taylor Rental franchises or might be operating rental centers inside their hardware stores under the Just Ask Rental or True Value Rental marks. Last, as disclosed earlier we have franchisees operating rental franchises under the Grand Rental Station and Taylor Rental brands. However, no outlets identified by these marks are owned or operated by us. You will compete with these units and there is no restriction on them or you when you or they are soliciting or servicing customers. If there are conflicts between you and one of these other outlets we will decide the conflict after investigating the issue. We do not have physically separate offices or training facilities for these brands.

If you want to relocate your store or open an additional site, we would review demographics and do a feasibility study for your proposed new location. For additional locations, you must provide us with financial information that would support your ability to open an additional location. You must implement our décor package in any new location for your existing business or for a new location.

You will not receive options, rights of first refusal, or similar rights to acquire additional franchises.

There are no restrictions on you from soliciting or accepting orders from consumers located anywhere and you may use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales. However, in connection with the Internet, you must obtain our approval before you establish certain sites, profiles or accounts, and we must approve all content on any website and any advertising that you do.

### **Item 13**

#### **TRADEMARKS**

We will grant you a non-exclusive license to use the True Value Rental mark for your rental business. We consider the True Value Rental mark to be our principal trademark. True Value owns this mark. True Value obtained registration of this mark on the Principal Register of the United States Patent and Trademark Office (“USPTO”) on August 23, 2016, Registration No. 5028674.

Under a July 1, 1997, license agreement between us and True Value we may license the Marks to franchisees for use in operating franchises. The term of the license agreement is indefinite, but True Value may terminate the agreement at any time by giving us written notice. If terminated, our existing franchisees will continue to have the right to use the Marks under their franchise agreements. You must follow our rules when you use the marks. You may not use any mark as part of your corporate or partnership name, as part of the domain name or other identification of a web site or other Internet communication, or in any other manner we have not expressly authorized. You must notify us if you learn a third party is using or claims rights to a trademark identical to or confusingly similar to a trademark we license to you to use. But we have no obligation to take affirmative action in this situation.

We do not know of any superior prior rights or infringing uses that could materially affect your use of the True Value Rental mark. There are no currently effective material determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court involving this mark. There are no pending infringement, opposition or cancellation proceedings or any pending material litigation involving the mark. All required affidavits have been filed. No renewal filing is yet due.

Apart from certain general quality control provisions contained in our license agreement with True Value, no agreements significantly limit our right to use or license the use of trademarks or service marks we license. You may not use all or part of our trademarks or modifying words, designs and symbols, as part of your corporate or other legal name, or as part of a domain name, account name, email, social media site, profile or URL without our consent.

We are not required to protect your right to use any marks we license to you or defend you against a claim of infringement or unfair competition arising out of your use of these trademarks or service marks. The Franchise Agreement does not require us to participate in your defense or to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark or service mark licensed by us or if the proceeding is resolved adversely to you. We have the right to control any administrative proceeding or litigation involving a mark we license to you.

We can require you to modify or discontinue using a trademark or service mark at any time for any reason and you will be responsible for the cost to change marks.

### **Item 14**

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

No patents or pending patents are material to the franchise. We claim copyrights in our True Value Rental Brand Standards Manual, marketing materials, any computer works and information and similar items used in operating the Store. We have not registered these materials with the Copyright Office of the Library of Congress.

Our True Value Rental Brand Standards Manual and advertising, marketing and other materials contain our confidential information on marketing methods, promotions, and distribution methods. You may not use our confidential information in an unauthorized manner and must take reasonable steps to prevent its disclosure to others.

There currently are no effective determinations of the Copyright Office or any court regarding any of the copyrighted materials. There are no agreements currently in effect that significantly limit our right to use or allow others to use the copyrighted materials. We do not actually know about any infringing uses which could materially affect your use of the copyrighted materials in any state. We need not protect copyrights or confidential information, although we intend to do so when in our best interests.

We do not have to defend or indemnify you if a copyright proceeding is brought. We are not required to take any action if notified of infringement. We do have the right to control any litigation. We can make you modify or discontinue using any copyrighted materials at any time for any reason and you will be responsible for any costs to stop.

### **Item 15**

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

We do not require that you personally supervise the franchised business. We recommend your on-premises supervision, but place no limits on whom you can hire as an on-premises supervisor, except that if you hire a manager to manage your business, that manager must complete to our satisfaction our initial training program before the manager starts working for you. We do not require a business entity's on-premises supervisor to have any equity interest in the franchise. We do not require you to place restrictions on your on-premises manager except to maintain trade secrets and to abide by the requirements of the Franchise Agreement.

If you are an entity, or you transfer your Franchise Agreement to an entity, your owners must sign a personal guaranty of all obligations under the Franchise Agreement.

### **Item 16**

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

You must offer only the merchandise we require in the mix we require. We can change the merchandise that we require and the mix of the merchandise at any time as the Franchise Agreement does not impose any limit on our right to do so. If you terminate the Terms and Conditions of Sale with our affiliate it can immediately restrict or limit your ability to purchase product from it and you would then be prohibiting from reselling those products.

**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 or other agreement</b>	<b>Summary</b>
a. Length of the franchise term	Section 2(a) of the Franchise Agreement	5 years
	True Value Company Terms and Condition of Sale – None	1 year
b. Renewal or extension of the term	Section 2(b) of the Franchise Agreement	Unless we have provided you with 30 days' prior written notice of our intent not to renew, you can renew the franchise for an additional 5 year period if you meet our conditions.
	True Value Company Terms and Conditions of Sale – See Termination/Default Section	Renews on a year to year basis.
c. Requirements for franchisee to renew or extend	Section 2(b) of the Franchise Agreement	Give written notice, sign a release, upgrade the business, including inventory levels, and have substantially complied with Franchise Agreement. Must sign our then current franchise agreement (which may contain materially different terms and conditions than your original Franchise Agreement).
	True Value Company Terms and Conditions of Sale – See Termination/Default Section	No prior termination of Terms and Conditions.

<b>Provision</b>	<b>Section in franchise or other agreement</b>	<b>Summary</b>
d. Termination by franchisee	<p>Section 19(a) of the Franchise Agreement</p> <p>True Value Company Terms and Conditions of Sale – See Termination/Default Section</p>	<p>If we default and do not cure within 30 days after receiving written notice from you, you may terminate the Franchise Agreement.</p> <p>If you operate an existing business with the True Value Rental store and you sell this business to an unaffiliated third party, you can terminate as long as you notify us and pay us a termination fee equal to the average royalty fee for the prior 12 months multiplied by 24 or the remainder of months remaining in the term, if less than 24.</p> <p>Franchisee may terminate on 30 days' written notice.</p>
e. Termination by franchisor without cause	<p>Sections 16(f) and 19(c) of the Franchise Agreement</p> <p>True Value Company Terms and Conditions of Sale – See Termination/Default Section</p>	<p>We may terminate the Franchise Agreement if we decide to terminate all outstanding agreements for the use of the True Value Rental mark or upon termination of your Member Agreement with True Value.</p> <p>We may also terminate if you want to sell your True Value Rental business with your existing business, if any, and we do not approve the sale.</p> <p>True Value may terminate on 30 days' notice.</p>

<b>Provision</b>	<b>Section in franchise or other agreement</b>	<b>Summary</b>
f. Termination by franchisor with cause	<p>Section 19(b) of the Franchise Agreement</p> <p>True Value Company Terms and Conditions of Sale – See Termination/Default Section</p>	<p>We may terminate the Franchise Agreement only if you commit one of several violations, as listed in (h) below.</p> <p>True Value may terminate if you commit various defaults, as listed in (h) below.</p>
g. “Cause” defined – curable defaults	<p>Section 19(b) of the Franchise Agreement</p> <p>True Value Company Terms and Conditions of Sale – See Termination/Default Section</p>	<p>10 days to cure monetary defaults and 30 days to cure other breaches of the Franchise Agreement.</p> <p>5 days to cure most defaults.</p>
h. “Cause” defined – non-curable Defaults	<p>Section 19(b) of the Franchise Agreement</p> <p>True Value Company Terms and Conditions of Sale – See Termination/Default Section</p>	<p>You are liquidated or dissolved; abandon the business, lose the right to do business; unapproved transfers; you or any of your owners engage in fraudulent conduct or are convicted of, or plead guilty or no contest to, certain crimes; you maintain false books or records or submit any false or misleading application, statement or report to us; you misuse the marks or materially impair the value of, or the goodwill associated with the marks or the system; fail to cure a default under any other agreement with us or our affiliate within 30 days of notice to you or we, you or our affiliate terminate any such agreement; fail to successfully complete the Initial Training Program and other stated non-curable defaults.</p> <p>Fail to pay amounts due, insolvency or bankruptcy, assignment of assets or attachment, fail to obtain True Value’s approval of transfer.</p>



<b>Provision</b>	<b>Section in franchise or other agreement</b>	<b>Summary</b>
i. Franchisee’s obligations on termination/non-renewal	<p>Section 19(d) of the Franchise Agreement</p> <p>True Value Company Terms and Conditions of Sale – See Termination/Default Section</p>	<p>Obligations include paying outstanding amounts, complete de-identification, cancel certain registrations and listings, including domain names and social media sites, and return of confidential materials.</p> <p>If you terminate the Terms and Conditions of Sale with our affiliate it can immediately restrict or limit your ability to purchase product from it.</p>
j. Assignment of contract by franchisor	<p>Section 16(a) of the Franchise Agreement</p> <p>True Value Company Terms and Conditions of Sale - None</p>	<p>No restriction on our right to assign.</p> <p>No restriction on True Value’s right to assign.</p>
k. “Transfer” by franchisee – definition	<p>Section 16(b) of the Franchise Agreement</p> <p>True Value Company Terms and Conditions of Sale – See Termination/Default and Assignment Sections</p>	<p>Includes transfer of Franchise Agreement, sale, transfer or lease of business, or transfer of control.</p> <p>Any assignment of Terms and Conditions.</p>
l. Franchisor approval of transfer by franchisee	<p>Section 16(b) of the Franchise Agreement</p> <p>True Value Company Terms and Conditions of Sale – See Termination/Default and Assignment Sections</p>	<p>We must approve all transfers.</p> <p>True Value must approve all transfers.</p>

<b>Provision</b>	<b>Section in franchise or other agreement</b>	<b>Summary</b>
m. Conditions for franchisor approval of transfer	<p>Section 16(c) of the Franchise Agreement</p> <p>True Value Company Terms and Conditions of Sale – See Termination/Default and Assignment Sections</p>	<p>A new franchisee must meet our then current standards, complete initial training and sign the documents we require including our then current franchise agreement, a personal guaranty and a store development agreement if we require. You must also release any claims you have against us. The new franchise agreement may provide for different fees or territory than in your Agreement, but we will not require the transferee to pay us a new initial franchise fee.</p> <p>Whatever conditions True Value imposes.</p>
n. Franchisor’s right of first refusal to acquire franchisee’s business	<p>Section 17 of Franchise Agreement</p> <p>True Value Company Terms and Conditions of Sale - None</p>	<p>We can match any offer for your business.</p> <p>Not Applicable</p>
o. Franchisor’s option to purchase franchisee’s business	<p>None</p> <p>True Value Company Terms and Conditions of Sale - None</p>	<p>Not Applicable</p> <p>Not Applicable</p>
p. Death or disability of franchisee	<p>Section 16(c)(ii)(g) of the Franchise Agreement</p> <p>True Value Company Terms and Conditions of Sale - See Termination/Default and Assignment Sections</p>	<p>May transfer to heirs or personal representative upon approval by us.</p> <p>No transfer unless approved by True Value.</p>

<b>Provision</b>	<b>Section in franchise or other agreement</b>	<b>Summary</b>
q. Non-competition covenants during the term of the franchise	Section 15(a) of the Franchise Agreement  True Value Company Terms and Conditions of Sale - None	You may not own or be affiliated with a competitive business or own or be affiliated with a business that grants franchises or licenses for a competitive business. You may not solicit any other franchisee of ours, to terminate its relationship with us.  Not Applicable
r. Non-competition covenants after the franchise is terminated or expires	Section 15(a) of the Franchise Agreement  True Value Company Terms and Conditions of Sale - None	For 2 years following the termination, assignment or expiration of your Franchise Agreement, you may not be involved with any competitive business located within a radius of 5 miles from the site of your franchised business or any business or other venture offering or selling franchises or licenses for the operation of a competitive business located in this area. You may not solicit or attempt to persuade any customer of your business to do business with a party other than us. The above does not apply to you if you purchased the franchised business from an immediate family member, but if you re-sell the business, it will apply to the buyer unless the buyer is an immediate family member of yours. If you are a conversion franchisee from another of our brands and operate a True Value Rental store for at least 2 years, the above restriction does not apply.  You may not solicit any franchisee of ours to terminate its relationship with us.  Not Applicable

<b>Provision</b>	<b>Section in franchise or other agreement</b>	<b>Summary</b>
s. Modification of the agreement	<p>Section 23(i) of the Franchise Agreement</p> <p>True Value Company Terms and Conditions of Sale – See Complete Terms Section</p>	<p>No modification generally unless by written agreement of the parties. We may change our manuals and standards.</p> <p>True Value may modify on notice by updating its website regarding the change.</p>
t. Integration/merger clause	<p>Section 23(c) of the Franchise Agreement</p> <p>True Value Company Terms and Conditions of Sale – See Complete Terms Section</p>	<p>Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable. However, nothing in the Franchise Agreement or any related agreement is intended to disclaim representations we made in the Franchise Disclosure Document furnished to you.</p> <p>True Value Policies and Procedures Manual included and can be changed unilaterally by True Value.</p>
u. Dispute resolution by arbitration or mediation	<p>Section 20(b) of the Franchise Agreement</p> <p>True Value Company Terms and Conditions of Sale - None</p>	<p>Except for certain disputes, all disputes must be mediated.</p> <p>Not Applicable</p>

<b>Provision</b>	<b>Section in franchise or other agreement</b>	<b>Summary</b>
v. Choice of forum	Section 21(e) of the Franchise Agreement  True Value Company Terms and Conditions of Sale - See Governing Law; Jurisdiction Section	Mediation to be held in a metropolitan area with a population of at least 250,000 people that is not located within 200 miles of your store or our principal office. The parties may only sue or be sued in Cook County or any contiguous county in Illinois (subject to state law).  The parties may only sue or be sued in Cook County, any contiguous county in Illinois, or in the county in Illinois where True Value's headquarters are then located.
w. Choice of law	Section 23(a) of the Franchise Agreement  True Value Company Terms and Conditions of Sale - See Governing Law; Jurisdiction Section	Illinois law applies (subject to state law).  Illinois law applies

**Item 18**

**PUBLIC FIGURES**

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

**Item 19**

**FINANCIAL PERFORMANCE REPRESENTATION**

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial

performance information or projections of your future income, you should report it to the franchisor's management by contacting Eric Lane, 8600 West Bryn Mawr Avenue, Chicago, Illinois 60631, and telephone (773) 695-5000, the Federal Trade Commission, and the appropriate state regulatory agencies.

## Item 20

### OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

#### Systemwide Outlet Summary for Years 2019 to 2021<sup>1, 2</sup>

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	252	234	-18
	2020	234	216	-18
	2021	216	200	-16
Company Owned	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Total Outlets	2019	252	234	-18
	2020	234	216	-18
	2021	216	200	-16

1. All numbers are as of December 31 of the identified year.

2. 103 of these outlets were operated under the True Value Rental brand as of December 31, 2021. The rest of these outlets were operated under the Taylor Rental, Grand Rental Station or Party Central brands.

Table No. 2

#### Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For Years 2019 to 2021<sup>1, 2</sup>

State	Year	Number of Transfers
Florida	2019	0
	2020	2
	2021	0
New York	2019	0
	2020	2
	2021	0
Total	2019	0
	2020	4
	2021	0

1. All numbers are as of December 31 of the identified year.
2. These outlets were operated under the Taylor Rental, Grand Rental Station and True Value Rental brands.

Table No. 3

**Status of Franchised Outlets for Years 2019 to 2021<sup>1</sup>**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Alabama	2019	3	0	1	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	1	0	0	0	1
Arizona	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
California	2019	2	0	0	0	0	0	2
	2020	2	0	1	0	0	0	1
	2021	1	0	0	0	0	0	1
Colorado	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	1	0	0	0	1
Connecticut	2019	11	0	1	0	0	0	10
	2020	10	0	1	0	0	0	9
	2021	9	1*	1	0	0	0	9
Delaware	2019	4	0	1	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	2	0	0	0	1
Florida	2019	23	0	0	0	0	0	23
	2020	23	2	4	0	0	0	21
	2021	21	0	1	0	0	0	20
Georgia	2019	3	1	0	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	0	2	0	0	0	2
Illinois	2019	11	0	0	0	0	0	11
	2020	11	0	0	0	0	0	11
	2021	11	0	2	0	0	0	9

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Indiana	2019	6	0	2	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
Kansas	2019	3	0	1	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Kentucky	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Louisiana	2019	6	0	0	0	0	0	6
	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
Maine	2019	6	0	0	0	0	0	6
	2020	6	0	1	0	0	0	5
	2021	5	0	0	0	0	0	5
Maryland	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Massachusetts	2019	20	0	0	0	0	0	20
	2020	20	0	1	0	0	0	19
	2021	19	0	0	0	0	0	19
Michigan	2019	12	0	0	0	0	0	12
	2020	12	0	1	0	0	0	11
	2021	11	0	0	0	0	0	11
Minnesota	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Mississippi	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
Missouri	2019	5	0	0	0	0	0	5
	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5



State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
New Hampshire	2019	8	0	1	0	0	0	7
	2020	7	0	0	0	0	0	7
	2021	7	0	0	0	0	0	7
New Jersey	2019	11	0	1	0	0	0	10
	2020	10	0	1	0	0	0	9
	2021	9	0	0	0	0	0	9
New York	2019	22	0	2	0	0	0	20
	2020	20	2	3	0	0	0	19
	2021	19	0	1	0	0	1*	17
North Carolina	2019	18	0	0	0	0	0	18
	2020	18	0	4	0	0	0	14
	2021	14	0	1	0	0	0	13
North Dakota	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Ohio	2019	14	0	3	0	0	0	11
	2020	11	0	0	0	0	0	11
	2021	11	0	1	0	0	0	10
Oklahoma	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
Oregon	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Pennsylvania	2019	17	0	3	0	0	0	14
	2020	14	0	2	0	0	0	12
	2021	12	0	1	0	0	0	11
Rhode Island	2019	4	0	1	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	1	1	0	0	0	3
South Carolina	2019	6	0	2	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	0	1	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Tennessee	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Texas	2019	3	0	0	0	0	0	3
	2020	3	0	1	0	0	0	2
	2021	2	0	0	0	0	0	2
Vermont	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Virginia	2019	7	0	0	0	0	0	7
	2020	7	0	0	0	0	0	7
	2021	7	0	1	0	0	0	6
Washington	2019	1	0	0	0	0	0	1
	2020	1	0	1	0	0	0	0
	2021	0	0	0	0	0	0	0
Wisconsin	2019	4	0	0	0	0	0	4
	2020	4	0	1	0	0	0	3
	2021	3	0	0	0	0	0	3
Total	2019	252	1	19	0	0	0	234
	2020	234	4	22	0	0	0	216
	2021	216	2	17	0	0	1	200

\* Store relocated from New York to Connecticut.

1. All numbers are as of December 31 of the identified year.

Table No. 4

**Status of Company-Owned Outlets for Years 2019 to 2021<sup>1</sup>**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
All States	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
Total	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0

1. All numbers are as of December 31 of the identified year.

Table No. 5

**Projected New Franchised Outlets as of December 31, 2021**

State	Franchise Agreements Signed But Outlet Not Opened as of December 31, 2021	Projected New Franchised Outlets in 2022	Projected New Company – Owned Outlets In 2022
Florida	0	0-1	0
Maine	0	0-1	0
New Hampshire	0	0-1	0
Tennessee	0	0-1	0
Texas	0	0-1	0
Total	0	0-5	0

**Exhibit I** lists the names of all of our franchisees and the addresses and telephone numbers of their outlets as of December 31, 2021.

**Exhibit J** lists the names, city and state, and last known business telephone numbers (or, if unknown, last known home telephone number) of the 17 franchisees whose franchises were terminated, cancelled or not renewed or who otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during our fiscal year ended December 31, 2021, or who have not communicated with us within 10 weeks of this disclosure document's issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

## **Confidentiality Clauses**

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

### **Item 21**

#### **FINANCIAL STATEMENTS**

**Exhibit G** contains our audited balance sheets as of December 31, 2020 and 2021 and the related statements of operations and changes in member's equity and cash flows for the periods ended December 31, 2019, 2020, and 2021.

### **Item 22**

#### **CONTRACTS**

Attached to this franchise disclosure document are the following standard forms of agreement that we currently use:

- See **Exhibit C** - Personal Guaranty
- See **Exhibit D** - Franchise Agreement
- See **Exhibit E** - State Specific Franchise Agreement Riders for Maryland, Minnesota, New York, North Dakota, Rhode Island, Virginia and Washington
- See **Exhibit F** - General Release
- See **Exhibit K** - Rental Store Development Project Agreement
- See **Exhibit O** - True Value Company Terms and Conditions of Sale

### **Item 23**

#### **RECEIPTS**

The last 2 pages of this franchise disclosure document are receipt pages. Detach the last page and return to us promptly upon execution. Retain the other copy of the receipt page for your records.

**EXHIBIT A**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**LIST OF STATE AUTHORITIES**

Listed below are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws:

**California**

Department of Financial  
Protection and Innovation  
2101 Arena Boulevard  
Sacramento, California 95834  
(866) 275-2677

**Maryland**

Office of Attorney General  
Maryland Division of Securities  
200 St. Paul Place  
Baltimore, Maryland 21202-2020  
(410) 576-7786

**Hawaii**

Hawaii Commissioner of Securities  
Department of Commerce and Consumer Affairs  
Business Registration Division  
King Kalakaua Building  
335 Merchant Street, Room 205  
Honolulu, Hawaii 96813  
(808) 586-2744

**Michigan**

Michigan Department of Attorney General  
Consumer Protection Division  
Antitrust and Franchise Unit  
525 W. Ottawa St.  
G. Mennen Williams Building, 1st Floor  
Lansing, Michigan 48933  
(517) 373-7117

**Illinois**

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

**Minnesota**

Minnesota Department of Commerce  
Registration and Licensing Division  
85 7th Place East, Suite 280  
St. Paul, Minnesota 55101-2198  
(651) 296-6328

**Indiana**

Indiana Secretary of State  
Securities Division  
Room E-111  
302 West Washington Street  
Indianapolis, Indiana 46204  
(317) 234-9768

**New York**

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

### **North Dakota**

North Dakota Securities Department  
600 East Boulevard Avenue  
State Capitol – 5th Floor  
Bismarck, North Dakota 58505-0510  
(701) 328-4712

### **Oregon**

Department of Consumer and Business  
Services  
Division of Finance and Corporate  
Securities  
State of Oregon  
350 Winter St. NE, Rm. 410  
Salem, Oregon 97301-3881  
(503) 378-4140

### **Rhode Island**

Rhode Island Department of Business Regulation  
Division of Securities  
1511 Pontiac Avenue  
John O. Pastore Complex - Building 68-2  
Cranston, Rhode Island 02920  
(401) 222-3048

### **South Dakota**

South Dakota Department of Labor & Regulation  
Division of Insurance – Securities Regulation  
124 S. Euclid, Suite 104  
Pierre, South Dakota 57501  
(605) 773-3563

### **Virginia**

State Corporation Commission  
Division of Securities and  
Retail Franchising  
1300 East Main Street, 9th Floor  
Richmond, Virginia 23219  
(804) 371-9051

### **Washington**

Securities Administrator  
Department of Financial Institutions  
Securities Division  
150 Israel Road SW  
Tumwater, Washington 98501  
(360) 902-8760

### **Wisconsin**

Department of Financial Institutions  
Division of Securities  
4822 Madison Yards Way, North Tower  
Madison, Wisconsin 53705  
(608) 261-9555

**EXHIBIT B**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**LIST OF AGENTS FOR SERVICE OF PROCESS**



**California**

California Commissioner of Financial  
Protection and Innovation  
California Dept. of Financial Protection and  
Innovation  
2101 Arena Boulevard  
Sacramento, California 95834

**Delaware**

CT Corporation System  
1209 Orange Street  
Wilmington, Delaware 19801

**Hawaii**

Commissioner of Securities for the State of Hawaii  
Department of Commerce and Consumer Affairs  
Business Registration Division  
King Kalakaua Building  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813

**Illinois**

Illinois Attorney General  
500 South Second Street  
Springfield, Illinois 62706

**Indiana**

Indiana Secretary of State  
200 West Washington Street  
Indianapolis, Indiana 46204

**Maryland**

Maryland Securities Commissioner  
200 Saint Paul Place  
Baltimore, Maryland 21202-2020

**Michigan**

Michigan Dept. of Attorney General  
Consumer Protection Division  
Antitrust and Franchise Unit  
525 W. Ottawa St.  
G. Mennen Williams Building 1st Floor  
Lansing, Michigan 48933

**Minnesota**

Minnesota Commissioner of Commerce  
Department of Commerce  
85 7th Place East, Suite 280  
St. Paul, Minnesota 55101-2198

**New York**

New York Secretary of State  
One Commerce Plaza  
99 Washington Avenue, 6th Floor  
Albany, New York 12231-0001

**North Dakota**

North Dakota Securities Department  
600 East Boulevard Avenue  
State Capitol – 5th Floor  
Bismarck, North Dakota 58505-0510

**Oregon**

Department of Consumer and Business  
Services  
Division of Finance and Corporate Securities  
State of Oregon  
350 Winter Street, N.E., Room 410  
Salem, Oregon 97301-3881

**Rhode Island**

Director  
Rhode Island Department of Business Regulation  
Securities Division  
1511 Pontiac Avenue  
John O. Pastore Complex - Building 68-2  
Cranston, Rhode Island 02920

**South Dakota**

Director of South Dakota Division of Insurance  
Securities Regulation  
124 S Euclid, Suite 104  
Pierre, South Dakota 57501

**Virginia**

Clerk of the State Corporation  
Commission  
1300 East Main Street, 1st Floor  
Richmond, Virginia 23219

**Washington**

Securities Administrator  
Washington State Department of Financial  
Institutions  
150 Israel Road SW  
Tumwater, Washington 98501

**Wisconsin**

Administrator, Division of Securities  
Department of Financial Institutions  
4822 Madison Yards Way, North Tower  
Madison, Wisconsin 53705

**EXHIBIT C**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**PERSONAL GUARANTY**

**PERSONAL GUARANTY**

True Value Specialty Company, LLC  
8600 W. Bryn Mawr Avenue  
Chicago, Illinois 60631-3505

For and in consideration of True Value Specialty Company, LLC ("you") allowing the entity described below to execute the Franchise Agreement between that entity and you, and you selling goods, wares, inventory and merchandise, and furnishing services upon credit or consignment or providing financial assistance to:

- Legal Business Name \_\_\_\_\_

d/b/a \_\_\_\_\_

\_\_\_\_\_ Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

(hereinafter referred to as "Debtor") or the extension of time for any credit heretofore or hereafter given due to the existence of a Franchise Agreement with you or any subsequent such Agreement for the above location or any other location between you and the Debtor at any current or hereafter established location(s) (including, but not limited to, multiple locations that may be opened after the date hereof) and under any d/b/a name, the undersigned hereby guarantees absolutely and unconditionally, at all times, the payment unto you and your affiliates of any and all amounts owed for goods, wares, inventory, merchandise and services, amounts due under any installment notes, and any other past, present or future indebtedness due from said Debtor and the performance by the above entity of all of its obligations under all agreements with you and your affiliates and under all manuals and operating procedures of your business system that the above entity is operating under. The undersigned further specifically agree to remain individually bound by all covenants, obligations and commitments of the business entity above contained in the Franchise Agreement between you and that business entity and any other agreement between you and that business entity or between that business entity and any of your affiliates.

The undersigned are (is) the (Partner, Owner, Stockholder, Officer, or other relationship) of the Debtor and, therefore, acknowledge that the undersigned will receive a benefit from the credit extended to Debtor and from the execution of this guaranty.

The undersigned hereby waive notice of acceptance of this guaranty, and all notice of the goods, wares, inventory and merchandise and services sold or furnished by you to said Debtor and all notice of defaults by said Debtor, and the undersigned consents to any extension or extensions of time or times or payment of said indebtedness, or any portion thereof, and to any change in form, or renewal at any time, of such indebtedness, or any part thereof, or to any evidence thereof taken at any time by you. The undersigned waive any defenses, claims and discharges of the Debtor pertaining to Debtor's indebtedness to you, except the defense of discharge by payment in full.

This is a continuing, absolute and unconditional guaranty. The extension of the time of payment or the acceptance of any sum or sums on account, or the acceptance of notes, drafts or any security from said Debtor or the acceptance, alteration or release of any security or any other guaranty whether provided by Debtor or any other person, shall in no way impair the validity of this guaranty or affect or impair the

liability of the undersigned under this guaranty. Should any purchase heretofore or hereafter made by the said Debtor, from you, not be paid when due, as determined by you, you shall have the right to proceed against the undersigned therefor at any time, without any notice whatsoever and without any proceeding or action against the Debtor (or any other guarantor or any other security), and the undersigned hereby waive any demand whatsoever for payment.

If any payment received by you in respect of any indebtedness of Debtor is thereafter set aside, reversed, rescinded or required to be returned for any reason (including without limitation the bankruptcy, insolvency or reorganization of Debtor), such indebtedness shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such receipt, and this guaranty shall be enforceable as to such indebtedness as if such payment had never been received.

The guaranty shall not be revoked by the death of any of the undersigned but shall remain in full force and effect against the executor or administrator of the deceased guarantor (and against the other undersigned, if there is more than one). The guaranty shall not be abrogated or affected in any manner by the change in the composition of the Debtor, whether caused by the change of Debtor's membership in you or by the change of the corporate or other legal structure of Debtor.

It is expressly understood that you are not restricted in any way from extending any credit to the Debtor, that you shall have absolute discretion to determine how much credit you shall extend to the Debtor, and that any such action on your part shall not abrogate or affect this guaranty.

Should the Debtor at any time become liquidated or insolvent (howsoever evidenced) or should bankruptcy on insolvency proceedings be instituted against Debtor or any of the undersigned, then and in that event, you shall have the right, at your option, without demand or notice whatsoever, to proceed as you see fit against the undersigned for the full amount due you from the Debtor; you shall have the further right at your option to prove and file your entire claim against the Debtor, and to collect any dividends that may be realized on your claims. If you realize or receive any dividends in any liquidation proceeding in any amounts in excess of the amount due from the Debtor or the undersigned by reason of this guaranty, you shall be obligated to remit to the undersigned any surplus to the extent that the undersigned is entitled.

It is the intention of this guaranty to assure you of payment, in full, for any indebtedness from time to time due from the Debtor (whether now or hereafter existing).

The undersigned agree that you shall have the sole discretion to determine to which obligation or in what order any payment, security or credit shall be applied, all to the end that you shall have maximum assurance of payment of all obligations to you.

Should you employ an attorney or attorneys to enforce the payment or other terms of this guaranty, or to enforce the payment of any claim or claims against the Debtor, you shall be entitled to reimbursement from the undersigned of the amount of attorneys' fees and other costs which you may have paid or obligated yourself to pay.

The undersigned agree that any amounts due from the undersigned shall be immediately due upon demand and shall be paid to you at 8600 W. Bryn Mawr Avenue, Chicago, Illinois 60631-3505.

The failure of you to enforce any of the provisions of this guaranty at any time or for any period of time shall not be construed to be a waiver of any such provision or of the right thereafter to enforce the same.

This instrument contains the entire and only agreement between the undersigned and you with respect to the guaranty of debts and obligations of the Debtor by the undersigned and any representation, promise,

condition or undertaking in connection therewith which is not expressed in this guaranty shall not be binding on you or upon the undersigned. All prior collateral understandings and agreements concerning such guaranty have been superseded by this guaranty. The provisions of this guaranty shall not be changed or discharged except by written instrument signed by you and the undersigned and may be revoked only in accordance with the above provision. The signing of this guaranty by the undersigned does not change or discharge any guaranty previously signed relating to Debtor. Likewise, the signing of any additional guaranty of Debtor does not change or discharge this guaranty.

This guaranty shall be governed by and only interpreted according to the laws of Illinois (without regard to principles of conflicts of law). The undersigned consent to the exclusive personal jurisdiction and venue of any federal or state court in Cook County or any Illinois county contiguous to Cook County, Illinois regarding any dispute involving this guaranty. The invalidity or unenforceability of any provision of this guaranty shall not affect any other provision. If any provision of this guaranty is determined by a court of competent jurisdiction to be invalid or unenforceable, that provision shall be deemed severable and this guaranty shall be enforced with that provision severed or as modified by the court.

If there is more than one undersigned, the obligations hereunder are joint and several with respect to each undersigned.

_____ (Signature of Guarantor)	_____ (Signature of Second Guarantor if more than one)
_____ Printed Name	_____ Printed Name
_____ (Street Address, City, State, Zip)	_____ (Street Address, City, State, Zip)
_____ (Social Security #)	_____ (Social Security #)
_____ (Date)	_____ (Date)

**IMPORTANT**

**A signed Financial Statement of each guarantor must accompany this form when returned to True Value Specialty Company, LLC and must be provided yearly thereafter.**

**THIS GUARANTY IS NOT COMPLETE UNTIL ALL BLANK SPACES ARE COMPLETED**

**EXHIBIT D**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**FRANCHISE AGREEMENT**

# TRUE VALUE RENTAL FRANCHISE AGREEMENT

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## TRUE VALUE RENTAL FRANCHISE AGREEMENT

**THIS AGREEMENT** is made the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between TRUE VALUE SPECIALTY COMPANY, LLC, a Delaware limited liability company (“Franchisor”), and \_\_\_\_\_ (“Franchisee”).

### INTRODUCTION

Franchisor and its affiliates have developed certain policies, procedures and techniques for operating a rental store that primarily rent tools, party supplies, machines and other products. Franchisor desires to grant to qualified persons franchises to use the concepts, programs and methods of promotion developed by Franchisor and its affiliates to conduct such a business. Franchisee has made application to Franchisor for a franchise and the application has been approved by Franchisor in reliance on all the representations made in the application.

**NOW, THEREFORE**, in consideration of the mutual promise of the parties hereto, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1.) DEFINITIONS

The terms and phrases specified below shall have, for purposes of this Agreement, the following meanings:

(a) “Competitive Business” shall mean any business primarily engaged in the rental of equipment for maintenance or light construction projects or events, as well as the rental of accessory items thereto or any business selling commercial and industrial supplies to other businesses, or any business that provides the same or similar services as are customarily offered through franchisees of Franchisor as part of the System of Operation; provided, however, upon the termination or expiration without renewal of this Agreement, the foregoing shall not prohibit Franchisee from operating a Competitive Business at the Location so long as such Competitive Business was operated by Franchisee at the Location immediately prior to the date hereof.

(b) “Existing Business” shall mean the business operated immediately prior to the date hereof from the location where the Franchised Business will be operated, which business must be approved by Franchisor in writing and set forth in the Rider to this Agreement. If no Existing Business is described in the Rider to this Agreement, only the Franchised Business may be operated from such location.

(c) “Franchise” shall mean the right granted to Franchisee by Franchisor to use the System of Operation and to use the Names and Marks selected, used, and promoted by Franchisor to operate a business that is primarily engaged in the rental of equipment for

maintenance or light construction projects or events, the rental of accessory items thereto, and that sells commercial and industrial supplies.

(d) “Franchised Business” shall mean the business franchised under this Agreement to operate utilizing the System of Operation and the Names and Marks, but shall not include any portion of the Existing Business.

(e) “Gross Rental Receipts” shall mean all revenues from business conducted in connection with or from the Location, whether such revenues are evidenced by check, cash, credit, charge account, exchange, or otherwise, and shall include, but not be limited to, the amounts received from the rental of tools and equipment, hardware, including rental of tangible property of every kind and nature together with the amount of all rental orders taken or received at the location whether such orders are filled from the Location or elsewhere. Gross Rental Receipts shall not include any sales taxes or other taxes collected from customers by Franchisee for transmittal to the appropriate taxing authority, truck rentals under a bona fide license agreement with a third party, propane sales, damage waiver revenues, sales of merchandise, cleaning fees, pick-up and delivery fees, sales of new or used equipment or maintenance charges. If Franchisee’s accounting records are maintained on a cash basis, then a credit sale will be recognized in the amount of each payment when it is received. If Franchisee provides services or products at a free or discounted rate to persons purchasing products or services from the Existing Business, Gross Rental Receipts shall include the full retail price of any such complimentary or discounted items.

(f) “Location” shall mean the premises where the Franchised Business is located as set forth in the Rider to this Agreement, or if the Franchised Business is operated out of the same facility as the Existing Business, that portion of the facility described in the Rider.

(g) The term “including” shall mean “including, but not limited to.”

(h) “Names and Marks” shall mean the commercial trade names, trademarks, service marks, domain names, and other commercial symbols, including associated logos, now or hereafter selected, used or promoted by Franchisor and licensed to Franchisee for use in connection with the System of Operation, but shall not include the name of the Existing Business, if any.

(i) “Restricted Area” shall mean a radius of five (5) miles from the Location.

(j) “System of Operation” shall mean the business plans and methods developed by Franchisor and its affiliates to be used in connection with a business that is primarily engaged in the rental of equipment for maintenance or light construction projects or events, the rental of accessory items thereto, and that sells commercial and industrial supplies. The “System of Operation” includes standards, specifications, methods, procedures, techniques, and management systems, all of which may be changed, improved and further developed from time to time by Franchisor.

(k) “Term of the Franchise” shall mean the initial term of the Franchise.

## 2.) GRANT OF FRANCHISE AND RENEWAL OF FRANCHISE

(a) Initial Term - Subject to the provisions of this Agreement, Franchisor grants to Franchisee a Franchise for an initial term of five (5) years, commencing on the date of this Agreement, to utilize the System of Operation and to use the Names and Marks of Franchisor in the conduct of a business that is engaged in the rental of equipment for maintenance or light construction projects or events, the rental of accessory items thereto, and that sells commercial and industrial supplies.

(b) Renewal - If, upon expiration of the initial term of the Franchise, Franchisee has: (1) complied with all provisions of this Agreement; (2) has operated the Franchised Business utilizing and conforming to the System of Operation; (3) has utilized exclusively the Names and Marks in the operation of the Franchised Business; (4) has upgraded the Franchised Business, including meeting fleet inventory levels that satisfy Franchisor's then-current standards; and (5) has secured the Location for at least an additional five (5) years, Franchisee may renew the Franchise for an additional term of five (5) years, so long as Franchisor has not provided Franchisee with notice of non-renewal at least thirty (30) days prior to the expiration date of this Agreement and Franchisee meets the conditions set forth below.

(i) To renew the Franchise, Franchisee must execute Franchisor's then current form of franchise agreement offered to prospective new franchisees and all other agreements and legal instruments and documents then customarily employed by Franchisor in the grant of Franchises to prospective new franchisees, including a general release. This right of renewal does not give Franchisee the right to renew any specific provisions of this Agreement, and Franchisee recognizes that the terms of franchise agreements utilized by Franchisor upon renewal are likely to be substantially different than the terms presently offered by Franchisor. Franchisee shall give Franchisor at least two hundred ten (210) days prior written notice of its election to renew the Franchise. Failure or refusal by Franchisee to execute all agreements and documents and to pay the renewal fee within thirty (30) days after delivery to Franchisee shall be deemed an election by Franchisee not to renew the Franchise.

(ii) If Franchisee does not sign a new franchise agreement prior to expiration of the Term of the Franchise, and Franchisee continues to accept the benefits of this Agreement after the expiration of this Agreement, then at the option of Franchisor this Agreement shall be deemed to: (i) have expired as of the date of its stated expiration, with Franchisee then operating without a franchise to do so and in violation of Franchisor's rights; or (ii) be continuing on a month-to-month basis (the "Interim Period") until one party provides the other with written notice of such party's intention to terminate the Interim Period, in which case the Interim Period will terminate thirty (30) days after receipt of the notice to terminate the Interim Period. Notwithstanding anything set forth herein to the contrary: (x) all obligations of Franchisee shall remain in full force

and effect during the Interim Period as if the Term of the Franchise had not expired; and (y) all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

3.) LOCATION; DECORATION; NON-EXCLUSIVITY

(a) Location - Franchisee shall operate the Franchised Business from one (1) location.

(i) Upon the execution of this Agreement, Franchisor shall complete the Rider to this Agreement indicating the Location, and Franchisee and Franchisor shall execute the Rider so long as Franchisor has approved the Location.

(ii) Unless Franchisor provides its prior written consent, Franchisee shall not operate any business other than the Franchised Business from the Location. If Franchisor consents to the operation of another business from the Location or the Location is within the Existing Business, all records connected to such other business operations must be kept in a manner necessary to effect a convenient segregation from the Franchised Business. Additionally, if the Location is within an Existing Business, Franchisee shall establish an area within such Existing Business from which the Franchised Business shall be operated. This area shall be located in that part of the Existing Business that generates or experiences the highest amount of customer traffic flow.

(b) Decoration of Location - Franchisor shall provide to Franchisee a store décor and fixtures plan for the decoration of the Location as well as a store development plan upon payment of Franchisor's then-current fees. To the extent Franchisee wants to modify such plan, or conform it to the specific area in which the Franchised Business will be operated, it shall do so at its expense, and must obtain Franchisor's consent to the actual decoration of the Franchised Business prior to commencement. Following obtainment of such approval, it shall be the obligation of Franchisee, at its expense, to construct and decorate the Location in accordance with all applicable local, state and federal laws, ordinances and building codes and with the plans approved by Franchisor, and to obtain all necessary permits for such construction. Franchisee will maintain the premises of the Franchised Business and any Existing Business in an attractive, clean and sanitary condition. All signage used in the Franchised Business, including those placed on any vehicles, must be approved in writing by Franchisor prior to installation or use.

(c) Relocation; Multiple Offices – Franchisor will either approve or disapprove the Location within twenty (20) days after Franchisee provides Franchisor with all information Franchisor requests about the Location. Franchisee must obtain Franchisor's consent prior to relocating the Location, which consent will not be withheld so long as Franchisee's new location meets Franchisor's then current requirements. If Franchisee desires to operate the Franchised Business from a site other than that indicated in the Rider, and Franchisor approves the new site, Franchisee authorizes Franchisor to amend

the Rider to change the Location to the site approved by Franchisor. Franchisee may not operate the Franchised Business from more than one location.

(d) Remodeling - Franchisee may be required to periodically make reasonable capital expenditures to remodel, modernize and redecorate the Location to reflect the current image intended to be portrayed by Franchisor. All remodeling, modernization and redecoration must be done in accordance with the standards and specifications prescribed by Franchisor from time-to-time and with the prior written approval of Franchisor. All replacements must conform to Franchisor's then current quality standards and specifications and must be approved by Franchisor in writing. Franchisor may inspect, but shall not be obligated to inspect, such work at any time to determine if the work is done in accordance with Franchisor's approved plans and specifications.

(e) Non-exclusivity - Franchisee acknowledges and agrees that this Agreement and all the rights granted to it hereunder are non-exclusive. To that end, Franchisee does not receive any designated, protected or exclusive territory and this Agreement does not limit the rights of Franchisor, or any affiliate or designee of Franchisor, to own, license or operate any business of any nature, including a rental store or similar business, whether under the Names or Marks, or as a competitive brand, or otherwise, wherever located. Franchisor may engage in any other business, even if it competes with the Franchisee or the Franchised Business, and whether the Franchisor commences those businesses or acquires them. Franchisor may also use or license to others all or part of the System of Operation. Franchisee acknowledges and agrees that it is not acquiring rights other than the non-exclusive right to the use the System of Operation to operate the Franchised Business under the Names and Marks in accordance with the terms of this Agreement. Franchisee acknowledges and agrees that it has no rights and will not make any claims, demands or damages arising from or related to any of the foregoing activities.

#### 4.) INITIAL FRANCHISE FEE

In consideration for the grant of the Franchise to Franchisee, Franchisee shall pay to Franchisor an initial franchise fee of Two Thousand Five Hundred Dollars (\$2,500.00) (the "Initial Franchise Fee"). The Initial Franchise Fee shall be due and payable upon execution of this Agreement. The Initial Franchise Fee shall be deemed to have been earned by Franchisor at the time it is due, and shall not be refundable.

#### 5.) ROYALTIES

(a) Amount - Beginning on the first day of the month after the month in which Franchisee opens for business, and continuing on the first day of each month thereafter, Franchisee shall pay to Franchisor a nonrefundable "Royalty Fee." Until such time as the Royalty Fee is adjusted pursuant to Section 5(b), the Royalty Fee shall be Two Hundred Dollars (\$200) per month and even after adjustment shall not be less than Two Hundred Dollars (\$200) per month. However, Franchisee shall not pay more than \$10,500 in Royalty Fees annually if Franchisee's Royalty Fee is 1.5% and \$21,000 if Franchisee's Royalty Fee is 3%.

(b) Adjustment - Each April, Franchisee shall report to Franchisor on Franchisee's financial statement a full and complete statement setting forth in detail, Franchisee's Gross Rental Receipts for the calendar year just ended (or such longer period as set forth below). The amount of these Gross Rental Receipts will be multiplied by the royalty percentage of Gross Rental Receipts set forth in the Rider, and the resulting figure shall be the new Royalty Fee and shall be paid to Franchisor in twelve (12) equal installments with the first installment due and payable on July 1 of the same year and a like and equal amount shall be due and payable on the first day of the succeeding eleven months. Franchisor may otherwise adjust the Royalty Fee and minimum or maximum amounts, upon ninety (90) days' written notice to Franchisee.

(c) Initial Period - If Franchisee has been a franchisee for less than 12 months as of the initial April after Franchisee signs this Agreement, Franchisor will not initially adjust the Royalty Fee pursuant to Section 5(b) above, until the next April, with such adjustment being effective and the first payment being due in July following that April. However, this initial determination of the Royalty Fee will be for the period of time from the date of this Agreement through the end of the year immediately preceding the year in which the Royalty Fee is determined, but the maximum Royalty Fee limitations set forth in Section 5(d) shall not apply to this determination. Notwithstanding the foregoing, Franchisee must provide statements detailing its Gross Rental Receipts at the time required by Franchisor.

(d) Failure - If Franchisee fails to provide Franchisor with Franchisee's Gross Rental Receipts for the applicable period at the time as set forth above, Franchisor may, in addition to its other rights hereunder, charge Franchisee a Royalty Fee of One Thousand Two Hundred Dollars (\$1,200) per month for each month, with the first installment due and payable on July 1 of the year in which the request is made and a like and equal amount due and payable on the first day of the succeeding eleven months. The total annual Royalty Fee limitations set forth in Section 5(a) above shall not apply in this situation.

(e) Taxes - If any sales, excise, use or privilege tax is imposed or levied by any government or governmental agency on account of any amounts payable under Section 4, 5 or 6(a), Franchisee shall pay to Franchisor as an additional fee, a sum equal to the amount of such tax (but this provision shall not apply to any federal or Illinois income taxes imposed upon Franchisor).

## 6.) MARKETING AND PROMOTION

(a) Brand Fund Contribution - Franchisee shall pay to Franchisor a monthly "Brand Fund Contribution" of Thirty Dollars (\$30) per month. The Brand Fund Contribution shall be due and payable beginning at the same time the Royalty Fee becomes due and payable.

(b) Use of System Brand Fund - Reasonable disbursements from the System Brand Fund shall be made solely for the payment of expenses incurred by Franchisor in connection with the general promotion of the Names and Marks, including: (i) development and production of advertising and promotional materials; (ii) the cost of formulating, developing and implementing advertising campaigns, including Internet advertising and Internet search engine campaigns and the cost to maintain and update

Franchisor's or its affiliates websites, web pages, social media and social networking sites, profiles and accounts; (iii) the cost of formulating, developing and implementing promotional and public relations programs, including advertising in trade publications; (iv) market research; and (v) the reasonable cost of administering the System Brand Fund, including professional fees, the cost of salaries and fringe benefits paid to Franchisor's employees engaged in administration of the System Brand Fund and creative services, and overhead allocated to advertising activities. All interest, if any, earned by the System Brand Fund shall be used for the payment of the foregoing expenses in connection with promotion of the Names and Marks, before application of any principal to those expenses. Methods, media employed, contents of advertising, and terms and conditions of advertising campaigns and promotional programs shall be within the sole discretion of Franchisor. Franchisor reserves the right to engage the professional services of an advertising agency owned by, or affiliated with, Franchisor or any of its principals, to assist in developing and/or placing advertising, and to compensate that agency. Disbursements from the System Brand Fund shall not be made for the production or placement of advertising that is principally for the purpose of marketing franchise licenses. Franchisor reserves the right to dissolve the System Brand Fund but will not do so until all the monies in the System Brand Fund have been expended or until monies have been rebated to the then-existing franchisees operating under the Names and Marks on a pro-rata basis based upon their contributions to the System Brand Fund during the preceding twelve (12) months.

(c) Local Marketing - At its own expense, Franchisee shall conduct local marketing campaigns and promotional programs designed primarily to promote the Franchised Business ("Local Marketing"). Prior to using any marketing or promotional materials, advertisements, or other advertising not prepared by or at the direction of Franchisor, Franchisee shall submit such items to Franchisor for its prior approval. Franchisee must annually participate in at least one local marketing event that has been approved by Franchisor. Franchisee shall, upon request of Franchisor, provide Franchisor with evidence of its participation in such event within ten (10) days of such a request by Franchisor.

(d) Advertising Cooperative - At such time as Franchisor in its sole discretion may determine, Franchisee shall join an advertising cooperative made up of other True Value Rental franchisees (the "Local Cooperative"), as determined by Franchisor. In such event, Franchisee shall be required to participate in the Local Cooperative on the terms and conditions required by Franchisor. Franchisor shall have the right to modify or dissolve any Local Cooperative at any time.

(e) Website; Internet -

(i) Franchisee shall at all times maintain a website for the advertisement of the Franchised Business. The website must be approved by Franchisor; provided, however, if Franchisee maintains a website or webpage for the Existing Business, it may use the Names and Marks on such website to indicate the availability of the services provided by the Franchised Business and may include such other information as has been approved in advance by Franchisor. Franchisee may also link from the webpage for

the Franchised Business to the website of the Existing Business so long as Franchisee complies with Franchisor's directives with respect to the website of the Existing Business. At no time shall Franchisee be authorized to establish or maintain, or have established or maintained on its behalf, either alone or in concert with others, any other electronic medium or method of communication, including a website, home page, HTML document, Internet site, web page, or social media or social networking site, profile, account or username relating to or making reference to Franchisor or the Franchised Business (each, a "Social Media Site"), unless otherwise approved by Franchisor.

- (ii) Franchisee shall comply with all directives from Franchisor with respect to any Social Media Site approved by Franchisor, including those related to materials posted on any Social Media Site, links to and from any Social Media Site, the use of the Names and Marks on any Social Media Site, and security for any Social Media Site. In addition, any Social Media Site approved by Franchisor must be operated and maintained by Franchisee in compliance with all provisions of this Agreement, including those regarding the use of confidential and proprietary information, as well as any and all operating procedures, policies, standards and requirements that Franchisor may specify from time to time. Franchisee must also maintain any Social Media Site approved by Franchisor in compliance with all applicable laws, rules, and regulations, including those applicable to copyright and trademark, privacy, anti-defamation, and advertising and endorsements. Franchisor reserves the right at any time, in its sole discretion, to require Franchisee to remove, delete or modify any Social Media Site, or any information, content or post thereon. Franchisor will retain sole ownership of any Social Media Site, as well as any domain name related thereto and all content thereon, which includes all or a portion of any of the Names and Marks, or any word, phrase or symbol confusingly similar thereto or variant thereof, as part of the domain name, username, account name, profile or page reference (a "Franchisor Social Media Site").

(f) Photos, Videos and Electronic Records - Franchisor shall have the right to take photographs, videos and electronic records of the Franchised Business, including the Location, and associated vehicles and signage and to use such photographs, videos and electronic records in any advertising or promotional material, in any form or medium now existing or later developed. Franchisor may use the foregoing without providing notice to Franchisee or receiving Franchisee's consent, and Franchisor shall not be obligated to make attribution or to compensate Franchisee for use of the foregoing. Upon the request of Franchisor, Franchisee shall cooperate with Franchisor in taking and arranging for such photographs, videos and electronic records and for obtaining the necessary consents of or assignments from individuals depicted in or involved in such photographs, videos and electronic records. Franchisee irrevocably assigns to Franchisor all of its right, title, and interest, if any, in and to all such photographs, videos and electronic records, together with all related intellectual property rights.



7.) METHOD OF PAYMENT/LATE PAYMENT CHARGES

(a) Electronic Funds Transfer - Franchisee shall remit Royalty Fees, Brand Fund Contributions, and other amounts due to Franchisor or its affiliates via electronic-funds transfer or other similar means. Franchisee shall comply with all procedures specified by Franchisor in this Section and in the Confidential Manual(s) with respect to such transfers, and deliver and execute such documents as may be necessary to facilitate or accomplish payment by the method described in this Section.

(i) Franchisee shall authorize Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of Royalty Fees, Brand Fund Contributions, and any other amounts payable to Franchisor or its affiliates under this Agreement. Franchisee shall make the funds available to Franchisor for withdrawal by electronic transfer no later than 10:00 a.m. central time on the date due, or if that day is not a banking business day, then by 10:00 a.m. central time on the next banking business day.

(ii) If, at any time, Franchisor determines that Franchisee has under-paid Royalty Fees, Brand Fund Contributions, or other amounts payable to Franchisor or its affiliates, Franchisor shall be authorized to initiate immediately a debit to Franchisee's account in the appropriate amount in accordance with the foregoing procedure, plus late payment charges as provided for in this Agreement. Any overpayment shall be credited to Franchisee's account through a credit effective as of the first reporting date after Franchisee and Franchisor determine that such credit is due. If the amount debited is less than the actual amount owed, Franchisee shall pay the remaining amount owing, plus a late payment charge thereon as set forth in this Agreement. If Franchisor is unable for any reason to debit the full amount permitted under this Agreement, Franchisee shall remit the remaining amount owing within five (5) days from notice by Franchisor, plus a late payment charge thereon as set forth in this Agreement.

(b) Minimum Account Balance - Franchisee shall at all times maintain a minimum balance in the designated checking or savings account for payments of Royalty Fees, Brand Fund Contributions, and any other amounts payable by Franchisee to Franchisor or its affiliates in an amount specified by Franchisor.

(c) Late Payment Charges - All fees or payments of any type whatsoever owed by Franchisee to Franchisor or its affiliates that are not received when due will be subject to the imposition of late payment charges equal to the maximum rate permitted by law, not to exceed one and one-half percent (1 1/2%) per month.

(d) No Setoff - Franchisee shall not withhold or escrow any amounts due to Franchisor under this Agreement, or set off any such amounts against any amounts claimed to be due to Franchisee.

(e) Timing of Payment - Unless specifically set forth herein to the contrary, all amounts owed to Franchisor or its affiliates shall be due and payable to Franchisor within ten (10) days following Franchisee's receipt of an invoice therefor. Royalty Fees and Brand Fund Contributions shall be due and payable as set forth in this Agreement.

(f) Fees - Franchisor may at any time in its sole discretion, upon notice to Franchisee, modify any prices or other amounts charged by Franchisor or an affiliate for products or services, other than the Brand Fund Contribution.

8.) ASSISTANCE; TRAINING; ONGOING SUPPORT

(a) Initial Training - Franchisor shall provide, at a suitable location of its choice, an initial training program consisting of approximately 3-1/2 days of training for Franchisee and one employee of Franchisee, who shall be Franchisee's manager if Franchisee is not the manager (the "Initial Training Program"). Franchisee and its manager, if any, are required to attend and satisfactorily complete the Initial Training Program within one hundred eighty (180) days after opening of the Franchised Business. If Franchisee or its manager fail to satisfactorily complete the Initial Training Program within such time period, Franchisor may terminate the Franchise Agreement. This training shall be held virtually.

All additional or replacement managers of the Franchised Business must attend the Initial Training Program before they begin working for Franchisee as a manager. If Franchisee successfully completed the Initial Training Program in connection with the opening of a business to be operated under the Names and Marks under another franchise agreement with Franchisor, Franchisor is not required to provide the Initial Training Program under this Agreement, but may require the Franchisee to complete the Initial Training Program.

(b) Optional Training - Upon the request of Franchisee, at reasonable times determined by the parties, Franchisor will provide additional training to Franchisee on topics requested by Franchisee and agreed to by Franchisor. Such training shall be held at a location determined by Franchisor or may be provided electronically. Franchisor shall charge such training fees as it shall establish from time to time for such training and such fees must be paid prior to the time such training begins. Franchisor may provide this training in-person, at its annual convention, if any, or via webinar or otherwise via the Internet.

(c) Confidential Manual(s) - Franchisor shall loan to Franchisee one or more electronic copies of manuals for use in the Franchised Business, which manuals may consist of operations manuals, training manuals or otherwise (the "Confidential Manual(s)"). The Confidential Manual(s) are not to be copied in whole or in part, shall remain the property of Franchisor and shall always be kept in safekeeping. Franchisor, from time to time, may add to or modify some or all of the Confidential Manual(s) to supplement or to improve the System of Operation and the contents and methods of promotion franchised hereunder and Franchisee shall at all times maintain the updated Confidential Manual(s).

(d) On-Site Support; Telephonic Assistance; Field Support - In addition to its other obligations under this Agreement, Franchisor will, without additional charge, provide

Franchisee with at least three (3) days of on-site support and assistance at the Franchised Business during the ninety (90) day period after the opening of the Franchised Business. Franchisor will also be available during normal business hours, and without charge to Franchisee, to provide Franchisee with telephone support on operating issues concerning the Franchised Business. Franchisor shall provide field support, including fleet evaluation and inventory consultation, as determined by Franchisor.

(e) Level of Performance; Delegation - Franchisor is not obligated to perform any services to Franchisee's particular level of satisfaction, but as a function of Franchisor's experience, knowledge and judgment. In addition, Franchisor shall have the right to subcontract or delegate any of its duties and responsibilities under this Agreement; provided, however, Franchisor shall be responsible for the performance of such duties, notwithstanding such subcontract or delegation, to the same extent as if Franchisor had not subcontracted or delegated such duties, unless such subcontract or delegation is in connection with an assignment pursuant to Section 16(a) below.

(f) Notice of Deficiencies - If Franchisee believes Franchisor has failed to adequately provide any services required to be provided to Franchisee or its employees in regard to the training, support or any other matter affecting the establishment of the Franchised Business, Franchisee shall so notify Franchisor in writing within thirty (30) days following the ninety (90) days period referred to in Section 8(d) above. Absent the timely provision of such notice to Franchisor, Franchisee shall be deemed to conclusively acknowledge that all pre-opening and opening services required to be performed by Franchisor were sufficient and satisfactory in Franchisee's judgment.

## 9.) OPERATION OF THE FRANCHISED BUSINESS

(a) Commencement of Operation - Franchisee may not commence operation of the Franchised Business until Franchisee has satisfied all conditions set forth in this Agreement required to be satisfied by Franchisee prior to opening the Franchised Business and Franchisor has provided Franchisee with written certification of the completion of all such conditions. Notwithstanding the foregoing, Franchisee must commence operation of the Franchised Business within six (6) months after the date of this Agreement. Franchisee shall operate the Franchised Business during all hours that the Existing Business is operated; provided, however, the Franchised Business must be open to the public for the minimum days and hours specified by Franchisor.

(b) Full Time Basis; Involvement - If Franchisee (or the majority owner of Franchisee if Franchisee is an entity) is not involved on a full-time basis in the operation of the Franchised Business, Franchisee shall have a manager, who has successfully completed Franchisor's Initial Training Program, operate the Franchised Business. Notwithstanding the foregoing, Franchisee shall at all times be responsible for the day-to-day operation and management of the Franchised Business.

(c) Maintenance of High Quality Service - Franchisee shall utilize its best efforts, skill and diligence to ensure that Franchisee and Franchisee's employees and agents establish and maintain high quality service to all customers and others doing business with the

Franchised Business. At all times, Franchisee shall conduct its business in a manner that will preserve and enhance the goodwill associated with the Names and Marks.

If Franchisee fails to provide services that meet Franchisor's standards, specifications or procedures, Franchisor shall have the right to assign such person or persons that it deems necessary to provide additional training to Franchisee or its employees to assure that such standards of quality and service are maintained. Franchisee shall pay to Franchisor all of Franchisor's actual costs for such person so assigned, including wages, travel and living expenses. Franchisee shall at all times offer such products and services through the Franchised Business as are required by Franchisor. Franchisee may not, however, use the premises of the Franchised Business to operate any business, or offer any services, that have not been approved by Franchisor.

(d) Compliance With Specifications and Procedures - Franchisee acknowledges that the Confidential Manual(s) are designed to protect Franchisor's standards and systems, and the Names and Marks, and not to control the day-to-day operation of the Franchised Business. Franchisee shall comply with all rules, regulations, and directives contained in this Agreement, as well as all mandatory standards, specifications and procedures contained in the Confidential Manual(s), as amended from time to time, and shall adopt and adhere to the policies of Franchisor. Franchisor specifically reserves the right to modify or change such rules, regulations and directives. Franchisee may not use any of the supplies, equipment or other items purchased for the Franchised Business in connection with the operation of the Existing Business or for any other purpose.

(e) Internet Usage - Franchisee must subscribe, at Franchisee's expense, to an Internet service provider or other electronic communication provider or service and obtain and use, at Franchisee's expense, and in the manner and form and meeting such minimum standards as Franchisor may approve or require, computer equipment, operating software, communication services, and other electronic and computer systems, and the like, for communicating, reporting and other operations of the Franchised Business. Franchisor shall have independent access to all of Franchisee's point of sale and computer systems used in connection with the Franchised Business. Franchisor may require that any and all communications between Franchisee and Franchisor occur through the Internet or such other electronic medium as Franchisor may designate, including facsimile and Franchisee may be required to access the Internet or other electronic information on a regular basis to obtain full benefit of the System of Operation. To that end, Franchisee shall maintain a working email address to communicate with Franchisor. Franchisor is not liable for any damage to Franchisee including lost profits, which occur as a result of any outage or delay related to electronic transmission of information, whether by the Internet or otherwise, or as a result of Franchisee's failure to access the information. Franchisor may, in its sole discretion, make use of any information furnished by it to Franchisee in the conduct of its business.

(f) Upgrades - Notwithstanding anything set forth in this Agreement to the contrary, Franchisor may require Franchisee to upgrade any technology used by Franchisee in the Franchised Business at any time and without regard to any expenditure limitations. Additionally, there shall be no limit on Franchisor's right to require Franchisee to replace

its computer system, to replace or upgrade hardware or software used by Franchisee in the Franchised Business or to require Franchisee to purchase additional hardware or software that Franchisor may select for use in the Franchised Business.

(g) Provision of Information - Franchisee also acknowledges and agrees that all information provided to Franchisee by Franchisor must be provided in such manner and by such media as Franchisor may determine, including, without limitation, by electronic and/or computer means.

(h) Equipment Maintenance - Franchisee shall maintain all equipment used in the Franchised Business in excellent working condition. As such items become obsolete or mechanically impaired to the extent they require replacement, Franchisee shall replace such items with either the same or substantially similar types and kinds of equipment as are being installed in other similar businesses franchised by Franchisor or opened by Franchisor or its affiliates, at the time replacement becomes necessary. All equipment used in the Franchised Business shall meet the specifications of Franchisor and shall be approved by Franchisor prior to installation thereof.

(i) Taxes - Franchisee shall promptly pay when due all taxes levied or assessed by reason of its operation and performance under this Agreement. Franchisee further shall secure and pay premiums on a workers' compensation policy covering all of its employees and, if applicable, shall pay all state unemployment taxes, state sales taxes and all other taxes and expenses of operating the Franchised Business. In the event of any bona fide dispute as to the liability for any taxes assessed against Franchisee, Franchisee may contest the validity or amount of the tax in accordance with procedures of the taxing authority. In no event, however, shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant to occur against the Franchised Business, or any part thereof.

(j) Personnel - All Franchisee's personnel involved in the Franchised Business shall wear uniforms meeting Franchisor's standards. Franchisee shall hire or otherwise retain all personnel of the Franchised Business, be exclusively responsible for the terms of their relationships with Franchisee, including compensation, and implement a training program for personnel of the Franchised Business in compliance with Franchisor's standards. Franchisee shall post a notice in the Franchised Center notifying the Franchisee's employees that they are employees of Franchisee not Franchisor. The content and location of this notice shall meet Franchisor's standards. If requested by Franchisor, Franchisee shall also obtain from each of its personnel an acknowledgment signed by such personnel providing that such individual understands, acknowledges and agrees that he or she is an employee of Franchisee and not Franchisor and that such individual shall look solely to Franchisee for all matters related to their employment relationship with Franchisee.

(k) Franchisee Control - Franchisee acknowledges that it is responsible for the day-to-day operation of its Franchised Business, including hiring, supervising and terminating all personnel, purchases (or leases) and maintenance of equipment and supplies, preparing Franchisee's own marketing plans and funding and implementing those marketing plans.

(l) Programs - Franchisee must participate in, comply with all terms and conditions of, and pay all charges related to, all programs Franchisor may require Franchisee to participate in from time to time. The terms and conditions of any such programs, as well as the programs themselves, may be modified or terminated at any time by Franchisor in its sole and absolute discretion.

(m) Telephone Number - Franchisee shall maintain a working telephone number for the Franchised Business and shall provide such telephone number to Franchisor. Such telephone number must be a different number from the number for the Existing Business.

(n) Vehicles - Franchisee will maintain one or more vehicles meeting Franchisor's standards for use in the Franchised Business. All such vehicles will be properly maintained, and will display Franchisor's Names and Marks in the manner specified by Franchisor. Franchisee may use vehicles that it utilizes in an Existing Business, provided such vehicles meet Franchisor's standards, and bear the Names and Marks under which the Franchised Business is operated, in the manner specified by Franchisor.

(o) Minimum Hours; Contracts - Franchisee shall ensure that the Franchised Business is open for business to the general public during at least the minimum days of the week and hours of the day as specified by Franchisor in its Confidential Manuals. Franchisee shall record each rental transaction on a rental contract meeting Franchisor's standards.

(p) Studies; Programs - Franchisee shall participate in the American Rental Association or its successor's cost of doing business study or any other studies or programs Franchisor may reasonably require. Franchisee shall provide all information requested by such studies or programs at the times requested by Franchisor.

#### 10.) NAMES AND MARKS

(a) Display of Names and Marks - Franchisee shall operate under, and prominently display, the Names and Marks in the operation of the Franchised Business in the manner specified by Franchisor, and pursuant to the brand standards made available to Franchisee by Franchisor. Franchisee shall use no commercial trade names, service marks, or other commercial symbols, including associated logos, in connection with the marketing and operation of the Franchised Business, that do not satisfy the criteria established by Franchisor. If this Agreement is assigned to a corporation, partnership, or limited liability company, Franchisee may not use any part of the Names and Marks as part of the name of the corporation, partnership, or limited liability company, and Franchisee must obtain Franchisor's prior written approval of the name of the corporation, partnership, or limited liability company prior to incorporation, formation or organization, as applicable. Franchisee may not use any part of any of the Names and Marks, or any similar name, word, symbol or variant thereof, in a domain name, account name, profile or URL, except as specifically approved by Franchisor.

(i) If Franchisor deems it advisable, Franchisee shall file for and maintain a "Certificate of Trade Name" in the county, or other appropriate jurisdiction, in which the Franchised Business is located.

(ii) Franchisee shall not use any of the Names and Marks in combination with other words, letters, prefixes, suffixes, logos or designs, other than in the manner authorized by Franchisor.

(b) Change of Names and Marks - From time to time, Franchisor may elect to discontinue the use of certain Names and Marks and to commence use of new Names and Marks. Franchisee shall pay all expenses incurred in connection with discontinuing the use of existing Names and Marks in the Franchised Business and commencing the use of new Names and Marks therein.

(c) Ownership of Marks and Goodwill - Franchisee acknowledges that Franchisor or its affiliate own the Names and Marks. Franchisee's right to use the Names and Marks is derived solely from this Agreement and all such usage and any goodwill established thereby shall inure to the exclusive benefit of Franchisor. Franchisee waives any right to challenge Franchisor's or its affiliate's ownership of the Names and Marks.

(d) Cessation of Use - Franchisee agrees that, upon the termination or expiration of the Term of the Franchise for any reason whatsoever, Franchisee shall immediately discontinue the use of the Names and Marks, and thereafter shall no longer use, or have the right to use, the Names and Marks.

(e) Notification of Infringement - Franchisee shall immediately notify Franchisor of any infringement of or challenge to Franchisee's use of the Names and Marks and shall not communicate with any other person in connection with any such infringement, challenge or claim. Franchisor shall have sole discretion to take such action as it deems appropriate, including the exclusive control of any litigation or any Trademark Office or other administrative proceeding arising out of any such infringement, challenge or claim relating to any of the Names and Marks.

(f) Name - The Franchised Business will be known by the name set forth in the Rider to this Agreement. Franchisee may not change this name without Franchisor's prior written consent. Franchisee acknowledges and agrees that Franchisee is not acquiring the right to use any service mark, trademark, copyright, trade dress, logo, design, symbol, trade name, domain name or other mark or characteristic owned by or licensed to Franchisor that Franchisor does not specifically designate for use as a part of the System of Operation. Franchisee will not adopt any other names or marks in operating the Franchised Business without Franchisor's approval.

#### 11.) EQUIPMENT/SUPPLIES/SERVICES

(a) Equipment; Supplies and Approved Suppliers - All equipment, apparel, floor mats, store décor, vehicles, computer hardware and software, insurance, signage, advertising and marketing materials, and rental inventory, must meet Franchisor's specifications as they may be provided to Franchisee from time to time. From time to time, Franchisor shall provide Franchisee a list of approved suppliers of equipment, supplies, software, hardware, insurance, rental products and other items or services used to operate the Franchised Business. The approved source of supply for any individual item may be Franchisor, an

affiliate of Franchisor, or an independent third party. To that end, Franchisor, an affiliate or an unrelated third party may be the sole source of supply for an item.

- (i) Unless otherwise specified by Franchisor, Franchisee shall not be restricted from using sources of supply other than those previously approved by Franchisor, if the other sources supply items or services of substantially the same quality and specifications as those supplied by the approved suppliers.
- (ii) Franchisor reserves the right to require Franchisee to obtain the written approval of Franchisor prior to the use of any supplier not previously approved by Franchisor and, as a precondition to the granting of such approval, may require the proposed supplier to submit to Franchisor samples of products it proposes to provide to Franchisee for use in the Franchised Business and any other information Franchisor requires. In such event, Franchisor shall have sixty (60) days from its receipt of all such information to approve such supplier. Any supplier not approved in such time period shall be deemed disapproved. Franchisor does not maintain any written criteria for approval of a supplier.
- (iii) Franchisee acknowledges that, as of the date hereof, Franchisee is required to purchase solely from Franchisor or an affiliate, various products and equipment to be used by Franchisee in connection with its business. If Franchisor no longer chooses to provide Franchisee with some or all of these items, or any other item that it may in the future provide Franchisee, Franchisee may only use substitute items meeting Franchisor's specifications from a supplier Franchisor approves.
- (iv) Franchisee may not use any of the equipment, products, services, supplies or other items of the Franchised Business in the Existing Business.

(b) Services/Pricing - Franchisee shall not offer, rent or sell any products or services in connection with the Franchised Business that have not been approved by Franchisor. Franchisee shall set its own pricing and rates for the products and services it offers in the Franchised Business; provided, however, Franchisee shall adhere to any maximum prices prescribed by Franchisor for services or products offered by Franchisee. Franchisee must also participate in, and comply with all terms and conditions of, and pay all charges related to, all programs Franchisor may require Franchisee to participate in from time to time so long as such programs are applied to substantially all franchisees operating under the Names and Marks. The terms and conditions of any such program, as well as the programs themselves, may be modified or terminated at any time by Franchisor in its sole and absolute discretion.

(c) Liability - Franchisor shall not be liable to Franchisee for damages caused by the failure of Franchisor or an approved supplier, including any affiliate of Franchisor, to make available for purchase any item or service, unless the failure is the result of factors within Franchisor's reasonable control.



12.) FINANCIAL INFORMATION, REPORTS, INSPECTIONS AND AUDITS

(a) Books and Records; Financial Reports - Franchisee shall maintain its books and records related to the Franchised Business in the manner reasonably required by Franchisor and in any event segregated from the Existing Business in such a manner as to provide for a convenient separation of transactions between the Franchised Business and the Existing Business. Franchisee shall maintain, and shall provide Franchisor with, such financial and sales information relating to the Franchised Business as from time to time may be reasonably required by Franchisor, including rental contracts, cash register records, purchase records and rental records. To that end, Franchisee shall provide to Franchisor such monthly and/or annual financial reports as Franchisor may specify, including, but not limited to, annual reviewed financial statements issued by a certified public accountant, and a return on investment report in the form required by Franchisor. The financial and sales information shall be delivered to Franchisor, at the time, in the form and by the means of communication authorized by Franchisor. Franchisor may use such financial information in any manner and for any purpose it, in its sole and absolute judgment, deems appropriate. Franchisee, and if Franchisee is a limited liability company, corporation or partnership, the owners of Franchisee, shall also submit to Franchisor, upon request, copies of their annual federal, state, and city, if any, income and sales tax returns, if any.

(b) Audit Rights - Franchisor shall have the right to audit or cause to be audited the sales reports and financial statements delivered to Franchisor, and any other financial books or records and the sales and income tax returns of Franchisee (including the records of the Existing Business), and if Franchisee is a limited liability company, corporation or partnership, the owners of Franchisee. If any audit discloses that Franchisee has failed to pay to Franchisor any amounts owed Franchisor based upon an understatement of Gross Rental Receipts, Franchisee, within ten (10) days of receipt of the audit report, shall pay to Franchisor the amounts due Franchisor, plus late payment charges from the due date at the maximum rate permitted by law, not to exceed one and one-half percent (1 1/2%) per month. In addition, if an understatement for any period equals two percent (2%) or more of the Gross Rental Receipts of the Franchised Business for any period, Franchisee shall reimburse Franchisor for the cost of the audit, including the charges of any independent accountant and the travel expenses, room and board, and compensation of persons employed by Franchisor to make the audit.

(c) Inspection Rights - Franchisee shall permit Franchisor and its representatives, whenever Franchisor reasonably may deem necessary, during normal business hours, to enter, remain on and inspect the premises of the Franchised Business. Franchisor and its representatives may also, without notice to Franchisee, interview customers to whom Franchisee has provided products or services.

(d) Ownership of Information - All information Franchisor obtains from Franchisee or about or related to the Franchised Business (collectively, the "Information"), and all revenues Franchisor derives from such Information, shall be Franchisor's property. Franchisee may use information that it acquires from third parties in operating the Franchised Business, such as customer data, at any time during the Term of the Franchise

to the extent lawful and at its sole risk and responsibility, but only in connection with operating the Franchised Business for the purposes hereunder. The Information shall become the Confidential Information of Franchisor, which Franchisor may use for any reason it deems necessary or appropriate. Franchisee and Franchisor shall comply with all applicable laws pertaining to the privacy and security of personal information, including, without limitation, local, regional and national requirements applicable to the Franchised Business.

13.) INSURANCE

(a) Type of Coverage - At all times during the Term of the Franchise, Franchisee shall maintain in force, at its sole expense, general commercial liability insurance against claims for bodily and personal injury, death and property damage caused by, or incurred in conjunction with, the operation of, or conduct of business by, Franchisee; general casualty insurance on the premises of the Franchised Business and its equipment; commercial automobile liability insurance; product liability insurance; workers' compensation insurance, and such other types of insurance and all in such amounts as may be specified by Franchisor from time to time.

- (i) The insurance coverage shall be maintained under one (1) or more policies of insurance containing the amounts and types of coverage from time to time prescribed by Franchisor and insured by insurance companies rated A+ or better by Alfred M. Best & Company, Inc.
- (ii) All insurance policies, other than workers' compensation, shall name Franchisor as an additional insured and all policies shall provide that Franchisor receive ten (10) days' prior written notice of termination, expiration, reduction or cancellation of any such policy.
- (iii) Franchisee shall submit to Franchisor, annually, a copy of the certificate of or other evidence of the renewal or extension of each such insurance policy.

(b) Failure to Obtain - If Franchisee at any time fails or refuses to maintain any insurance coverage required by Franchisor, or fails to furnish satisfactory evidence thereof, Franchisor, at its option and in addition to its other rights and remedies hereunder, may obtain such insurance coverage on behalf of Franchisee, and any costs of premiums incurred by Franchisor in connection therewith shall be paid by Franchisee on demand.

14.) CONFIDENTIALITY AND IMPROVEMENTS BY FRANCHISEE

(a) Maintenance of Confidence - Franchisee acknowledges that all of the information it has now or obtains in the future concerning the System of Operation, and the concepts and methods of promotion franchised hereunder is derived from Franchisor pursuant to this Agreement, and that such information will be treated in confidence as "Confidential Information". Franchisee agrees never to, directly or indirectly, engage in or abet the misappropriation (as the term "misappropriation" is defined in the Illinois Trade Secrets Act), or the disclosure, divulgence, or distribution of all or any part of the System of Operation and the concepts and methods of promoting franchises hereunder.

(b) Improvements - If Franchisee, during the Term of the Franchise, conceives or develops any improvements or additions to the System of Operation, new trade names, trade and service marks and other commercial symbols related to the Franchised Business, or any advertising, promotion or marketing ideas related to the Franchised Business (“Improvements”), Franchisee shall fully disclose the Improvements to Franchisor without disclosure of the Improvements to others and shall obtain Franchisor’s written approval prior to the use of such Improvements. Any such Improvement approved by Franchisor may be used by Franchisor and all other franchisees of Franchisor without any obligation to Franchisee for royalties or similar fees. Franchisee shall assign to Franchisor, and hereby does assign to Franchisor, without charge, all rights to such Improvements, together with the goodwill associated with the Improvements, including the right to grant sublicenses to any such Improvements. Franchisor, at its discretion, may make application for and own copyrights, trade names, trademarks and service marks relating to any such Improvements. Franchisor also may consider such Improvements as the property and trade secrets of Franchisor. Franchisor shall authorize Franchisee to utilize any Improvement authorized generally for use by other franchisees.

15.) RESTRICTIVE COVENANTS

(a) Covenants - Franchisee acknowledges Franchisor must be protected against the potential for unfair competition by Franchisee’s use of Franchisor’s training, assistance and trade secrets in direct competition with Franchisor. Franchisee therefore agrees that it shall not:

- (i) During the Term of the Franchise, either directly or indirectly: (a) operate, own, manage, or be employed by or consult with, any Competitive Business other than one operated under a valid franchise agreement with Franchisor, or any business or other venture offering or selling franchises or licenses for a Competitive Business; or (b) divert or attempt to divert any customer or potential customer to any competitor of Franchisor, or a competitor of a franchisee or of an affiliate of Franchisor; (c) solicit or in any other way persuade or attempt to persuade any franchisee of Franchisor to terminate its business relationship with Franchisor; or (d) otherwise interfere with the business activities of Franchisor or any affiliate or any other franchisee of Franchisor with respect to any of the foregoing.
- (ii) For a period of two (2) years following the expiration, termination or assignment of this Agreement, either directly or indirectly: (i) operate, own, manage, be employed by or otherwise provide services to any Competitive Business, other than one operated under a valid franchise agreement with Franchisor, that is located, or doing business in the Restricted Area or any business or other venture offering or selling franchises or licenses for the operation of a Competitive Business in the Restricted Area; (ii) solicit or in any other way persuade or attempt to persuade any franchisee of Franchisor to terminate its business relationship with Franchisor; or (iii) otherwise interfere with the business activities of Franchisor or any affiliate or any other franchisee of Franchisor.

(b) Violation - In the event of a violation of Section 15(a)(ii) above by Franchisee following expiration, termination or assignment of this Agreement, the period of time Franchisee shall be required to abide by the breached obligation shall be extended to a period of two (2) years after Franchisee is no longer in breach of such obligation.

(c) Exclusions - The restrictions set forth in Section 15(a)(ii) above shall not apply to the Franchisee if:

(i) The execution of this Agreement by the Franchisee was in connection with the transfer, sale or assignment of the Franchised Business to Franchisee by an immediate family member, which shall mean the spouse, son, daughter, parent, grandparent, brother, or sister of Franchisee. For the avoidance of any doubt, if Franchisee transfers the Franchised Business, the foregoing shall not apply to the transferee unless the transferee is an immediate family member of the franchisee; or

(ii) The Franchisee converted their Existing Business to a True Value Rental Store and have operated as such for at least two (2) years.

(d) Franchisee Acknowledgments - Franchisee agrees that the restrictions contained in this Section 15 are reasonable and necessary to protect the interests of Franchisor and other franchisees of Franchisor. Franchisee further acknowledges that because of the narrow scope of the limitations, the foregoing restrictions do not unduly restrict Franchisee's ability to engage in gainful employment. If Franchisee violates these restrictions, then in addition to damages incurred by Franchisor for which Franchisee shall be liable, Franchisor shall be entitled to injunctive relief to prevent the continuation of such breach.

## 16.) ASSIGNMENT

(a) By Franchisor - This Agreement is fully assignable by Franchisor, and shall inure to the benefit of any assignee or other legal successor in interest of Franchisor.

(b) General Prohibition on Franchisee Assignment - No Franchisee, partner (if Franchisee assigns this Agreement to a partnership), shareholder (if Franchisee assigns this Agreement to a corporation), or member (if Franchisee assigns this Agreement to a limited liability company), without the prior written consent of Franchisor, by operation of law or otherwise, shall sell, assign, transfer, convey, give away, lease, or encumber to any person, firm, corporation, or company, its interest in this Agreement or its interest in the Franchise granted hereby or its interest in any proprietorship, partnership, corporation, or limited liability company which, directly or indirectly, owns any interest in the Franchise, or its interest in the Franchised Business or the assets of the Franchised Business. Any purported assignment not having the necessary consent shall be null and void and shall constitute a material default hereunder.

(c) Conditions to Franchisee Assignment - Franchisor shall not unreasonably withhold its consent to any assignment provided the following conditions and requirements shall first be satisfied:

- (i) If Franchisee desires to assign or transfer all of its rights to a partnership, corporation, or limited liability company controlled by Franchisee:
  - a. the transferee shall be newly organized and its charter shall provide that its activities are confined exclusively to operating the Franchised Business;
  - b. Franchisee shall be and shall remain the owner of not less than fifty-one percent (51%) of the issued and outstanding voting stock or membership interests of the transferee corporation or limited liability company or, in the case of a partnership, of fifty-one percent (51%) of the voting control of the transferee partnership;
  - c. Franchisee shall be and shall remain the principal executive officer of the transferee;
  - d. the transferee shall enter into a written agreement with Franchisee and Franchisor, in a form satisfactory to Franchisor, assuming all of Franchisee's obligations hereunder;
  - e. all the partners, shareholders, or members of the transferee shall enter into a written agreement in a form satisfactory to Franchisor jointly and severally guaranteeing the full payment and performance of the transferee's obligations to Franchisor and agreeing to be personally bound by all covenants and restrictions imposed upon the transferee under this Agreement;
  - f. each stock or membership certificate of the transferee corporation or limited liability company, or the partnership agreement of the transferee partnership, shall have conspicuously endorsed upon it a statement that it is held subject to, and that further assignment or transfer of any interest therein is subject to, all restrictions imposed upon assignments by this Agreement;
  - g. no new voting interest in the transferee shall be issued to any person or entity without obtaining Franchisor's prior written consent; and
  - h. all accrued money obligations of Franchisee to Franchisor and its subsidiaries, affiliates and assigns shall be satisfied prior to assignment or transfer.
- (ii) If an assignment (other than an assignment as set forth in Section 16(c)(i) above), alone or together with other previous, simultaneous or proposed transfers, would have the effect of transferring control of the Franchise created hereby or the Franchised Business:

- a. the transferee shall be of good moral character and reputation and shall have a good credit rating, financial capabilities and competent business qualifications reasonably acceptable to Franchisor and shall meet Franchisor's then-current standards. Franchisee shall provide Franchisor with the information it may reasonably require to make a determination concerning each proposed transferee;
- b. the transferee, including all shareholders, members and partners of the transferee, shall jointly and severally execute a new franchise agreement with Franchisor, on the terms then offered by Franchisor to new franchisees, except that all pre-opening obligations of the parties, other than the transferee's obligation to complete the Initial Training Program to Franchisor's satisfaction, shall be waived, including the obligation of the transferee to pay a new initial franchise fee;
- c. if the transferee is a corporation, limited liability company or partnership, each stock or membership certificate, or the partnership agreement, shall have conspicuously endorsed upon it a statement that it is held subject to, and further assignment or transfer of any interest therein is subject to, all restrictions imposed upon assignments by this Agreement;
- d. if the transferee is a corporation, partnership, or limited liability company, no new voting interest in the transferee shall be issued to any person or entity without obtaining Franchisor's prior written consent;
- e. Franchisee shall have executed an agreement in form satisfactory to Franchisor in which it agrees to: (i) release any claims it has against Franchisor and its affiliates; (ii) subordinate any claims it may have against the transferee to any amounts owed by the transferee to Franchisor; (iii) comply with the post-term obligations set forth herein, including the non-competition and confidentiality provisions; and (iv) indemnify Franchisor against all claims brought against Franchisor by the transferee for a period of three (3) years following the transfer;
- f. if the transferee is a corporation, limited liability company or partnership, all the shareholders, members, or partners of the transferee shall enter into a written agreement, in a form satisfactory to Franchisor, jointly and severally guaranteeing the full payment and performance of the transferee's obligations to Franchisor and agreeing to be personally bound by all covenants and restrictions imposed upon the transferee under the terms of this Agreement; and

- g. if the assignment or transfer is caused by the death or incapacity of Franchisee (or in the case of a partnership, corporation or limited liability company, by the death or incapacity of one controlling more than forty-nine percent (49%) of the voting interest of Franchisee), the provisions of this Section 16(c)(ii) must be met with regard to the heir or personal representative of Franchisee succeeding to Franchisee's interest hereunder; provided, however, if the heir or personal representative assigns, transfers or sells its interest in the Franchise within sixty (60) days after the death or incapacity of Franchisee, the person to whom the interest is assigned, transferred or sold, and not Franchisee's heir or personal representative, must comply with the provisions of this Section 16(c)(ii) as transferee.

(d) Disclosure - Franchisee consents to Franchisor releasing to any proposed transferee any information concerning the Franchised Business which Franchisee has reported to Franchisor.

(e) No Single or Partial Transfer - Notwithstanding anything set forth herein to the contrary, Franchisee may not transfer a portion of its rights or obligations hereunder or a portion of the Franchised Business, if such transfer would result in the division of the Franchised Business. Further, Franchisee may not transfer this Agreement or the Franchised Business without simultaneously transferring all franchised businesses owned directly or indirectly by Franchisee and its affiliates to the same buyer in a single transaction.

(f) Transfer of Existing Business - Notwithstanding anything set forth herein to the contrary, if a transfer is proposed as part of a transaction that will include the sale of all or substantially all the assets of the Existing Business, or a controlling interest in the Existing Business, and Franchisor does not approve the transfer, Franchisee may nevertheless notify Franchisor that it intends to complete the transfer (and shall be required to pay the transfer fee set forth above), but Franchisor shall have the right, ending the later of sixty (60) days following receipt of such notice and sixty (60) days following completion of the transfer, to elect to terminate this Agreement. If Franchisor so elects, it shall provide not less than fifteen (15) days notice of such termination to Franchisee or its transferee.

#### 17.) RIGHT OF FIRST REFUSAL

If, at any time during the term hereof, Franchisee receives a bona fide offer to purchase or lease the Franchised Business, which offer Franchisee is willing to accept, Franchisee shall communicate in writing to Franchisor the full terms of the offer and the name of the offeror. Franchisor may elect to purchase or lease the business on substantially the same terms set forth in the offer. If Franchisor elects to purchase or lease the business, it shall give Franchisee written notice of the election within thirty (30) days after Franchisor receives Franchisee's communication of the offer. If Franchisor fails to give written notice of election within thirty (30) days, Franchisee may sell or lease to the offeror on the terms offered, subject to the provisions relating to assignment. The sale or lease must, however, be completed within sixty

(60) days of the termination of the thirty (30) day period during which Franchisor may give written notice of election to purchase or lease; otherwise, an additional notice must be given to Franchisor and an additional option period must expire prior to any such transfer. If Franchisor elects to purchase or lease the business, it shall have the right to substitute equivalent cash for any noncash consideration included in the bona fide offer to purchase or lease the business and Franchisor and Franchisee will use their best efforts to complete the purchase or lease within sixty (60) days from the date of Franchisor's notice of election to purchase or lease.

18.) PRE-TERMINATION OPTIONS OF FRANCHISOR

(a) Rights in Addition to Termination - Prior to the termination of this Agreement, if Franchisee fails to pay any amounts owed to Franchisor or its affiliates or fails to comply with any term of this Agreement or any other agreement between Franchisor and Franchisee or an affiliate of Franchisor and Franchisee, then in addition to any right Franchisor may have to terminate this Agreement or to bring a claim for damages, Franchisor shall have the option to:

- (i) Remove any listing of the Franchised Business from any Franchisor Social Media Site;
- (ii) Prohibit Franchisee from attending any meetings or seminars held or sponsored by Franchisor or taking place on the premises of Franchisor; and
- (iii) Suspend the provision of any or all of the services provided by Franchisor or an affiliate to Franchisee hereunder.

(b) Continuation of Franchisor Options - Franchisor's actions, as outlined in this Section 18, may continue until Franchisee has brought its accounts current, cured any default, and complied with Franchisor's requirements, and Franchisor has acknowledged the same in writing. The taking of any of the actions permitted in this Section shall not suspend or release Franchisee from any obligation that would otherwise be owed to Franchisor or its affiliates under the terms of this Agreement or otherwise.

19.) TERMINATION

(a) By Franchisee - Franchisee may terminate this Agreement and the Franchise granted hereunder as follows:

- (i) Effective ten (10) days after delivery to Franchisor of notice of termination, if Franchisee is in compliance with this Agreement and Franchisor breaches this Agreement and fails to cure the breach within thirty (30) days after written notice of the breach is delivered to Franchisor; and
- (ii) If the Existing Business is sold, and the new owner does not desire to continue to operate the Franchised Business, and provided that the new owner or operator is not affiliated with Franchisee, and the Existing Business is not owned or managed by any family member of any partner,



shareholder or member of Franchisee, Franchisee may terminate this Agreement, effective upon termination of Franchisee's ownership of the Existing Business, provided Franchisee delivers written notice of termination to Franchisor, at least ten (10) days prior to the termination of Franchisee's interest in the ownership of the Existing Business, and such notice is accompanied by a termination payment equal to the average monthly Royalty Fee paid or owed by Franchisee to Franchisor for the twelve (12) months preceding the date of such notice, multiplied by twenty-four (24), or such fewer number of months as is remaining in the Term of the Franchise. If the ownership of the Existing Business is transferred and Franchisee does not elect to terminate this Agreement as set forth in this Section 19(a)(ii), then Franchisee must comply with the assignment provisions set forth in Section 16 of this Agreement.

(b) By Franchisor - In addition to Franchisor's other termination rights in this Agreement, Franchisor may terminate this Agreement effective immediately upon receipt by Franchisee of notice of termination, if Franchisee:

- (i) Voluntarily abandons the franchise relationship;
- (ii) Is convicted in a court of competent jurisdiction of an offense directly related to the business conducted pursuant to this Agreement;
- (iii) Fails to cure a default under this Agreement which materially impairs the goodwill associated with the Names and Marks after Franchisee has received written notice to cure at least twenty-four (24) hours in advance of the notice of termination;
- (iv) Makes an assignment for the benefit of creditors or an admission of its inability to pay its obligations as they become due;
- (v) Files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution or similar relief under any law, admits or fails to contest the material allegations of any such pleading filed against it, or is adjudicated a bankrupt or insolvent;
- (vi) Fails to comply with any federal, state, or local law or regulation applicable to the operation of the Franchised Business, including those laws or regulations governing health and safety;
- (vii) Makes an unauthorized assignment or transfer of this Agreement, the Franchised Business, or the Franchise;
- (viii) Submits to Franchisor two (2) or more sales reports, financial statements, other information or supporting records in any period of twelve (12) consecutive months, which understates by two percent (2%) or more the

Gross Rental Receipts of the Franchised Business, or otherwise materially distorts any other material information;

- (ix) Consistently fails to submit when due sales reports or financial statements to Franchisor;
- (x) Fails to pay when due Royalty Fees, Brand Fund Contributions, or other payments due to Franchisor and such failure continues for ten (10) days after notice to Franchisee;
- (xi) Consistently fails to remit when due payments to suppliers or other creditors of the Franchised Business, and such failure continues for ten (10) days after notice to Franchisee;
- (xii) Has made material misrepresentations on its application for the Franchise;
- (xiii) Is in breach of any other agreement with Franchisor or any of its affiliates and such failure continues for thirty (30) days after notice to Franchisee, or any such agreement is terminated by Franchisor, Franchisee or Franchisor's affiliate; or
- (xiv) Otherwise materially breaches this Agreement or fails to comply with any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor and does not correct such failure within thirty (30) days after notice to Franchisee.

(c) Without Cause Termination - Franchisor may terminate upon sixty (60) days notice to Franchisee if Franchisor terminates all outstanding Franchise Agreements for the use of the Names and Marks or if Franchisee's Retail Member Agreement with Franchisor's affiliate terminates.

(d) Compliance with Applicable Law - The foregoing notwithstanding, to the extent that the provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation, nonrenewal or the like other than in accordance with applicable law, such provisions shall, to the extent such are not in accordance with applicable law, be superseded by said law, and Franchisor shall comply with applicable law in connection with each of these matters.

(e) Actions Upon Expiration or Termination - Franchisee agrees, upon expiration, termination or assignment of the Franchise:

- (i) To immediately return to Franchisor all copies of all Confidential Manual(s) that have been loaned to it by Franchisor and any material marked as property of Franchisor or as confidential;
- (ii) To immediately pay to Franchisor such Royalty Fees, Brand Fund Contributions, and other charges as have or will thereafter become due hereunder and are then unpaid including amounts due for printed

materials, forms, advertising material, supplies, products and services supplied by Franchisor or an affiliate;

- (iii) Within five (5) business days following the expiration, assignment or termination of the Franchise, to take such action as may be required to properly cancel all assumed name or equivalent registrations relating to the use of the Names and Marks, and notify the telephone company, any domain name registrar, any internet service provider, and all listing agencies of the termination or expiration of Franchisee's right to use any domain names, profiles, accounts, user names, telephone numbers and classified and other directory listings associated with any Franchisor Social Media Site, or that include any portion of the Names and Marks, and authorize the telephone company, domain name registrars, internet service providers, and listing agencies to transfer to Franchisor all such telephone numbers, registrations, profiles, accounts, and directory listings, along with access thereto. Franchisee acknowledges that, as between Franchisor and Franchisee, Franchisor has the sole right to and interest in all telephone numbers, directory listings, domain names profiles, user names, and accounts associated with the Names and Marks, or any word, phrase or symbol confusingly similar to any of the Names and Marks, including any Franchisor Social Media Site, as well as any content thereon. Franchisee authorizes Franchisor, and appoints Franchisor its attorney-in-fact, to direct the telephone company, domain name registrars, internet service providers, and all listing agencies to transfer telephone numbers, domain names, accounts and listings to Franchisor, as well as provide access to Franchisor to any such account or registration;
- (iv) To not indicate directly or indirectly, in any manner, that it is or ever was affiliated with Franchisor in any capacity, identify itself or any business as a member of the Franchisor's network, or as otherwise associated with Franchisor, or use, in any manner or for any purpose, any of the System of Operation, concepts and methods of promotion, or Names and Marks, or any other indicia of a business operated under the Names and Marks; and
- (v) To immediately cause all signs, including any vehicle signage, using the Names and Marks to be removed. If Franchisee fails to remove such signage, Franchisor shall be entitled to remove and destroy the signage, without prior notice to Franchisee, and Franchisee shall be obligated to reimburse Franchisor for all costs associated with such removal and destruction.

(f) Survival of Provisions - All obligations of Franchisor and Franchisee which expressly or by their nature survive the expiration, termination or assignment of the Franchise, including the non-competition, confidentiality and indemnification provisions herein, shall continue in full force and effect subsequent to and notwithstanding the termination of this Agreement until they are satisfied in full or by their nature expire.

## 20.) ENFORCEMENT

(a) Injunctive Relief; Attorneys' Fees - Either party may apply for injunctive or other equitable relief to: (i) enforce its right to terminate this Agreement for the causes in Section 19; and (ii) prevent or remedy a breach of this Agreement if such breach could materially impair the goodwill of such party's business, including to enforce the obligations of a party to be performed following the termination of this Agreement and enforcement of the non-competition and confidentiality provisions of this Agreement. Each party shall be entitled to the entry of temporary restraining orders and temporary and permanent injunctions enforcing its aforementioned rights. If Franchisor secures any such injunction, or any other relief against Franchisee, or is successful in defending a claim brought against it by Franchisee, Franchisee shall pay Franchisor an amount equal to the aggregate of Franchisor's costs of obtaining such relief and defending such claim, including, without limitation, reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses.

(b) Mediation - Except with respect to matters for which a party believes it necessary to seek injunctive or equitable relief as set forth in Section 20(a), above, Franchisee and Franchisor shall be required to enter into mediation of all disputes involving this Agreement, or any other aspect of the relationship between them, for a minimum of four (4) hours, prior to the initiation of any action or proceeding against the other.

(i) Upon written notice by either party to the other of the initiating party's desire to mediate, the party receiving the notice shall select an independent entity that regularly provides mediation services to franchisors and franchisees to serve as mediator in the proceeding. If the party receiving the notice of intent to mediate does not provide the name of such an organization within ten (10) business days from the date the notice of intention to mediate is received, then the other party may forego mediation of the issue(s) and commence legal action or, at its option, make the selection of the organization to provide mediation services. If one party selects an organization that is unwilling to serve as mediator or does not meet the requirements of this Section 20(b)(i), then the other party may select the organization. Once the organization is designated and agrees to accept appointment as mediator, the organization shall be directed to schedule a mediation proceeding at a time mutually convenient to Franchisor and Franchisee. The mediation shall be held within thirty (30) days following receipt by the mediation organization of notification that its services are requested. If the parties cannot agree on a date for mediation, then the mediation organization shall select a date it believes is reasonable for the parties, given all of the alleged conflicts in dates. The actual mediator shall either be a retired judge, or a person who has had at least ten (10) years of experience as either franchisee or franchisor (or as an officer of such an entity), or in franchise law.

(ii) The parties shall equally share the cost of the mediator. The mediator shall select the location for the mediation, giving due consideration to the

location that will minimize the total expenses of the mediation; provided, however, that unless agreed to by both Franchisor and Franchisee, the mediation shall be held in a metropolitan area having a population of at least two hundred fifty thousand (250,000) persons that is not located within two hundred (200) miles of the Franchised Business or the principal office of Franchisor.

- (iii) Except with respect to matters for which a party is permitted to seek injunctive or equitable relief, if either party initiates litigation without complying with their obligation to mediate in accordance with this Section 20(b) (unless the other party has failed to respond on a timely basis or has indicated it will not engage in mediation in accordance with the provisions of this Section 20(b)), then upon petition of any party named as a defendant in such litigation, the court shall dismiss the action without prejudice, and award attorneys' fees and costs to the party seeking dismissal in an amount equal to such party's attorneys' fees and costs incurred in seeking dismissal. If the court refuses for any reason to dismiss the action, then regardless of the outcome of such action, or of any award given by the court in such action, the party initiating the action shall be responsible for all attorneys' fees and costs incurred throughout the action by the other party as damages for failing to comply with the provisions of this Section 20(b).

(c) Continued Performance - Unless this Agreement is terminated in accordance with the provisions of Section 19, during the pendency of any litigation, Franchisee and Franchisor shall each perform their obligations under this Agreement.

(d) Waiver of Certain Damages - Franchisor and Franchisee (and Franchisee's owners and guarantors) hereby waive, to the fullest extent permitted by law, any right to, or claim for, any punitive, consequential, special or exemplary damages against the other and any affiliates, owners, employees or agents of the other and agree that in the event of a dispute between or among any of them, each shall be limited to the recovery of any actual damages sustained by it and any equitable relief to which it might be entitled.

(e) Venue - Franchisor and Franchisee (and Franchisee's owners and guarantors) each agree that if litigation is commenced, the sole forum for resolving disputes under this Agreement or any aspect of the relationship between the parties shall be only in courts located in Cook County, Illinois or any Illinois county contiguous to Cook County, and the parties waive any objections they may have to either the jurisdiction or the venue in such courts and hereby consent to personal jurisdiction and venue in such courts. The only exception to the foregoing shall be: (1) if the courts of Illinois would have no jurisdiction over a named party in the litigation, and such party's involvement in the litigation is integral to the underlying claims and not principally for the purpose of circumventing the intent of the parties to name Illinois as the exclusive venue for any actions, then the action may be venued in any court having jurisdiction over all the parties and a significant nexus to the parties; and (2) to the extent that either party believes it is necessary to seek injunctive relief against the other, the party seeking relief may initiate

that action in the county in which the other party has its principal office (which in the case of an action against Franchisee, shall be the county in which Franchisee is domiciled, or the county in which the Franchised Business is located).

(f) WAIVER OF JURY TRIAL - EACH OF THE PARTIES WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO THE ENFORCEMENT OR INTERPRETATION OF THIS AGREEMENT, AND ALLEGATIONS OF STATE OR FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION, OR OTHER CAUSES OF ACTION, IN CONNECTION WITH ANY LEGAL ACTION.

(g) Waiver of Collateral Estoppel - The parties agree they should each be able to settle, mediate, litigate, or compromise disputes in which they are involved with third parties, without having the disposition of such disputes directly affect the contract or relationship between Franchisor and Franchisee. Franchisor and Franchisee therefore each agree that a decision of a court of law in a dispute to which one of them is not a party shall not in any manner prevent the person that was a party to such action from making similar arguments, or taking similar positions, in any subsequent action between Franchisor and Franchisee. The parties therefore waive the right to assert that principles of collateral estoppel prevent either of them from raising any claim or defense in an action between them as a result of such party having lost a similar claim or defense in another action.

(h) Waiver of Class Action Rights - Franchisee waives its right to bring, join or participate in, and is barred from bringing, joining or participating in, any class action suit. The parties agree that any proceeding shall be conducted on an individual, not a class-wide, basis and that any proceeding between Franchisor and Franchisee (or any owner or guarantor of Franchisee) may not be consolidated with another proceeding between Franchisor and any other entity or person. Franchisee further agrees that the foregoing shall not limit the ability of Franchisee to obtain a remedy for any particular claim that it may assert against Franchisor.

## 21.) INDEPENDENT CONTRACTORS/INDEMNIFICATION

(a) Independent Contractor - Franchisee is a franchisee of Franchisor. Franchisee shall be conspicuously identified at the Location, and in all dealings with customers, prospective customers, and others, as a franchisee. Franchisee shall not represent or imply to any person that this Agreement authorizes Franchisee to act as agent for Franchisor. Neither Franchisor nor Franchisee shall be obligated by any agreement, representation or warranty made by the other, nor shall Franchisor be obligated for damages to any person or property directly or indirectly arising out of the operation of the Franchised Business or the Existing Business, or caused by Franchisee's negligence, willful action or failure to act.

(b) Franchisee Indemnification - Franchisee agrees to indemnify Franchisor against, and to reimburse Franchisor for, all obligations and damages for which Franchisor is liable and for all costs reasonably incurred by Franchisor in the defense of any such claim brought against it, or in any such action in which it is named as a party, arising out of any act or omission of Franchisee, or as a result of the operation of the Franchised Business

or the Existing Business or of any activities occurring at, by or through the Franchised Business or the Existing Business. Such indemnification shall include, without limitation, reasonable attorneys' fees, costs of investigation or proof of facts, court costs, other litigation expenses and travel and living expenses (collectively, "Costs"). Franchisor shall have the right to defend any such claim against it.

(c) Franchisor Indemnification - Franchisor agrees to indemnify Franchisee against, and to reimburse Franchisee for, any obligation or liability for damages payable to persons other than Franchisee or its owners attributable to agreements, representations or warranties of Franchisor, or caused by the negligent or willful action of Franchisor, and for Costs reasonably incurred by Franchisee in the defense of any claim brought against it as a result of the foregoing or in any such action in which it is named as a party. Franchisor shall have the right to participate in and to control any litigation or proceeding which might result in liability of or expense to Franchisee subject to indemnification by Franchisor.

## 22.) FRANCHISEE REPRESENTATIONS

To induce Franchisor to accept Franchisee's application for a Franchise and to execute this Agreement, Franchisee hereby represents and warrants to Franchisor as follows:

(a) Standards for Service - Franchisee recognizes and acknowledges the importance of maintaining Franchisor's standards for service, and further recognizes and acknowledges the importance of following the System of Operation;

(b) Disclosure Document - Franchisee has received a copy of Franchisor's Franchise Disclosure Document, together with copies of all contracts relating to the sale of the Franchise, at least fourteen (14) days prior to the execution of this Agreement and at least fourteen (14) days prior to its payment of any money to Franchisor. Franchisee has read and understands all such documents;

(c) Business Risks - Franchisee acknowledges that it has the entire control and direction of the Franchised Business, subject only to the conditions and covenants established by this Agreement. Franchisee further acknowledges that the business to be operated under this Agreement involves business risks, and that Franchisee's success shall be largely determined by its own skill and efforts as an independent business person. Franchisee further acknowledges that if it fails at any tasks that are vital to the operation of the Franchised Business, the Franchised Business will fail and Franchisee shall be solely responsible for any such failure.

(d) Franchisee Advisors - Franchisee acknowledges that it has been advised to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, and that Franchisee has had the opportunity to consult with such advisors and also has had the opportunity to independently investigate the opportunity offered under this Agreement; and

(e) Independent Investigation - Franchisee acknowledges that it has entered into this Agreement after making an independent investigation of Franchisor's operations and not upon any representation as to profits which Franchisee might be expected to realize, nor

has anyone made any other representation to induce Franchisee to accept the Franchise granted hereunder and to execute this Agreement, which is not expressly set forth herein.

23.) MISCELLANEOUS

(a) Governing Law - Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. § 1050 et seq.), as amended, this Agreement shall be governed by the laws of the State of Illinois; provided, however, the provisions of the Illinois Franchise Disclosure Act and the regulations promulgated thereunder shall not apply if Franchisee is not domiciled in Illinois and the Location is not located in Illinois. If the Illinois Franchise Disclosure Act does not apply to the franchise relationship created hereby, but there is a statute in the state in which the Location is situated that specifically governs relationships between franchisees and franchisors, then that particular law shall apply in lieu of the Illinois Franchise Disclosure Act.

(b) Binding Effect - This Agreement is binding upon the parties hereto, their respective heirs, assigns and successors in interest.

(c) Entire Agreement - The introduction, recitals and Rider hereto are a part of this Agreement, which constitutes the entire agreement of the parties, and at the time of this Agreement, there are no other oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement, other than any Guarantees; provided, however, nothing in this or in any related agreement is intended to disclaim any representations Franchisor made in the Franchise Disclosure Document furnished to Franchisee.

(d) Headings; Franchisee References; Liability - The Section headings are for convenience only and do not define, limit or construe the contents thereof. The term "Franchisee" as used herein is applicable to one (1) or more persons, a corporation, limited liability company, or a partnership, as the case may be, and the singular usage includes the plural and the masculine and feminine usages include the other. If there is more than one signatory as "Franchisee", all of Franchisee's obligations hereunder and under any other agreement with Franchisor or its affiliates shall be joint and several in each and every respect and fully enforceable against each signatory. References in this Agreement to the termination of this Agreement, or the termination of the "Term of the Franchise", shall be deemed to include the expiration of this Agreement without renewal.

(e) Construction - Franchisor and Franchisee agree that if any provision of this Agreement is capable of two (2) constructions, one of which would render the provision illegal or otherwise voidable or unenforceable and the other of which would render the provision valid and enforceable, the provision shall have the meaning which renders it valid and enforceable. The language of each provision of this Agreement shall be construed simply according to its fair meaning and not strictly against Franchisor or Franchisee.

(f) Invalid Provisions - It is the desire and intent of Franchisor and Franchisee that the provisions of this Agreement be enforced to the fullest extent possible under the laws and public policies applied in each jurisdiction in which enforcement is sought.



Accordingly, if any provision of this Agreement is adjudicated to be invalid or unenforceable, such adjudication is to apply only with respect to the operation of such provision in the particular jurisdiction in which such adjudication is made. All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid and unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. Franchisor and Franchisee shall substitute a valid and enforceable provision for any specification, standard, operating procedure, rule or other obligation of Franchisee or Franchisor which is determined to be invalid or unenforceable and is not waived by the other.

(g) Waivers - Franchisor and Franchisee, by written instrument signed by both parties, may unilaterally waive any obligation of or restriction upon the other under this Agreement. No acceptance by Franchisor of any payment by Franchisee and no failure, refusal or neglect of Franchisor or Franchisee to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations hereunder or with any specification, standard or operating procedure shall constitute a waiver of any provision of this Agreement or any specification, standard or operating procedure.

(h) Remedies Cumulative - All remedies provided to Franchisor under this Agreement are cumulative. No exercise or enforcement by Franchisor or Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder or which Franchisor or Franchisee is entitled by law to enforce.

(i) Modifications - No modification of this Agreement shall be valid unless such modification is in writing and signed by Franchisee and Franchisor; provided, however, Franchisor may unilaterally modify or otherwise change the Confidential Manual(s).

(j) Notices - All written notices permitted or required to be delivered by the provisions of this Agreement shall be deemed so delivered: (i) when delivered by hand; (ii) three (3) days after placed in the United States mail by registered or certified mail, return receipt requested, postage prepaid; or (iii) one (1) business day after placed in the hands of an overnight courier, for next day delivery, and in the case of delivery under clauses (ii) or (iii), addressed to the party to be notified at its most current principal business address of which the notifying party has been notified.

(k) Patriot Act Representations - Franchisee represents and warrants that to its actual and constructive knowledge: (i) neither it (including its directors, officers and managers), nor any of its affiliates, or any funding source for the Franchised Business, are identified on the list at the United States Treasury's Office of Foreign Assets Control; (ii) neither it nor any of its affiliates is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government; (iii) neither it nor any of its affiliates is acting on behalf of the government of, or is involved in business arrangements or other transactions with, any country that is subject to such an embargo; (iv) neither it nor any of its affiliates are on the U.S. Department of Commerce Denied Persons, Entities and Unverified Lists, the U.S. Department of State's Debarred Lists, or on

the U.S. Department of Treasury's Lists of Specialty Designated Nationals, Specialty Designated Narcotics Traffickers or Specialty Designated Terrorists, as such lists may be amended from time to time (collectively, the Lists); (v) neither it nor any of its affiliates, during the term of this Agreement, will be on any of the Lists; and (vi) during the Term of the Franchise, neither it nor any of its affiliates will sell products, goods or services to, or otherwise enter into a business arrangement with, any person or entity on any of the Lists. Franchisee agrees to notify Franchisor in writing immediately upon the occurrence of any act or event that would render any of these representations incorrect.

(l) Variances - Because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any franchise owner based upon the peculiarities of a particular site or circumstance, density of population, business potential, population of trade area, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of such franchise owner's business. Franchisee shall not complain on account of any variation from standard specifications and practices granted to any other franchise owner and shall not be entitled to require Franchisor to grant to Franchisee a like or similar variation thereof.

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

FRANCHISEE:

FRANCHISOR:  
TRUE VALUE SPECIALTY  
COMPANY, LLC

\_\_\_\_\_

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

\_\_\_\_\_

[THIS AGREEMENT CONTINUES WITH A RIDER, WHICH IS A PART OF  
THIS AGREEMENT.]

**RIDER TO TRUE VALUE SPECIALTY COMPANY FRANCHISE AGREEMENT**

THIS RIDER is a part of the Franchise Agreement dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between TRUE VALUE SPECIALTY COMPANY, LLC (“Franchisor”) and \_\_\_\_\_ (“Franchisee”).

1.) The Existing Business operated from the Location immediately prior to the date hereof is described as follows: \_\_\_\_\_

2.) The address of the premises from which the Franchised Business will be operated is (if the Franchised Business will be operated from a portion of the premises and the Existing Business operated from the remainder of the premises provide the address of the premises and describe where in the premises the Franchised Business will be located): \_\_\_\_\_

3.) The name of the Franchised Business shall be: \_\_\_\_\_

4.) Royalty percentage of monthly Gross Rental Receipts shall be: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Rider as of the date indicated above.

FRANCHISEE:

FRANCHISOR:  
TRUE VALUE SPECIALTY  
COMPANY, LLC

\_\_\_\_\_  
\_\_\_\_\_

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

**PERSONAL GUARANTY**

True Value Specialty Company, LLC  
8600 W. Bryn Mawr Avenue  
Chicago, Illinois 60631-3505

For and in consideration of True Value Specialty Company, LLC ("you") allowing the entity described below to execute the Franchise Agreement between that entity and you, and you selling goods, wares, inventory and merchandise, and furnishing services upon credit or consignment or providing financial assistance to:

Legal Business Name \_\_\_\_\_

d/b/a \_\_\_\_\_

\_\_\_\_\_ Address \_\_\_\_\_

City State Zip

(hereinafter referred to as "Debtor") or the extension of time for any credit heretofore or hereafter given due to the existence of a Franchise Agreement with you or any subsequent such Agreement for the above location or any other location between you and the Debtor at any current or hereafter established location(s) (including, but not limited to, multiple locations that may be opened after the date hereof) and under any d/b/a name, the undersigned hereby guarantees absolutely and unconditionally, at all times, the payment unto you and your affiliates of any and all amounts owed for goods, wares, inventory, merchandise and services, amounts due under any installment notes, and any other past, present or future indebtedness due from said Debtor and the performance by the above entity of all of its obligations under all agreements with you and your affiliates and under all manuals and operating procedures of your business system that the above entity is operating under. The undersigned further specifically agree to remain individually bound by all covenants, obligations and commitments of the business entity above contained in the Franchise Agreement between you and that business entity and any other agreement between you and that business entity or between that business entity and any of your affiliates.

The undersigned are (is) the (Partner, Owner, Stockholder, Officer, or other relationship) of the Debtor and, therefore, acknowledge that the undersigned will receive a benefit from the credit extended to Debtor and from the execution of this guaranty.

The undersigned hereby waive notice of acceptance of this guaranty, and all notice of the goods, wares, inventory and merchandise and services sold or furnished by you to said Debtor and all notice of defaults by said Debtor, and the undersigned consents to any extension or extensions of time or times or payment of said indebtedness, or any portion thereof, and to any change in form, or renewal at any time, of such indebtedness, or any part thereof, or to any evidence thereof taken at any time by you. The undersigned waive any defenses, claims and discharges of the Debtor pertaining to Debtor's indebtedness to you, except the defense of discharge by payment in full.

This is a continuing, absolute and unconditional guaranty. The extension of the time of payment or the acceptance of any sum or sums on account, or the acceptance of notes, drafts or any security from said Debtor or the acceptance, alteration or release of any security or any other guaranty whether provided by Debtor or any other person, shall in no way impair the validity of this guaranty or affect or impair the liability of the undersigned under this guaranty. Should any purchase heretofore or hereafter made by

said Debtor, from you or an affiliate, not be paid when due, as determined by you, you shall have the right to proceed against the undersigned therefor at any time, without any notice whatsoever and without any proceeding or action against the Debtor (or any other guarantor or any other security), and the undersigned hereby waive any demand whatsoever for payment.

If any payment received by you or any affiliate in respect of any indebtedness of Debtor is thereafter set aside, reversed, rescinded or required to be returned for any reason (including without limitation the bankruptcy, insolvency or reorganization of Debtor), such indebtedness shall for the purposes of this guaranty be deemed to have continued in existence, notwithstanding such receipt, and this guaranty shall be enforceable as to such indebtedness as if such payment had never been received.

The guaranty shall not be revoked by the death of any of the undersigned but shall remain in full force and effect against the executor or administrator of the deceased guarantor (and against the other undersigned, if there is more than one). The guaranty shall not be abrogated or affected in any manner by the change in the composition of the Debtor, whether caused by the change of Debtor's membership in you or any affiliate or by the change of the corporate or other legal structure of Debtor.

It is expressly understood that you are not restricted in any way from extending any credit to the Debtor, that you shall have absolute discretion to determine how much credit you shall extend to the Debtor, and that any such action on your part shall not abrogate or affect this guaranty.

Should the Debtor at any time become liquidated or insolvent (howsoever evidenced) or should bankruptcy or insolvency proceedings be instituted against Debtor or any of the undersigned, then and in that event, you shall have the right, at your option, without demand or notice whatsoever, to proceed as you see fit against the undersigned for the full amount due you or any affiliate from the Debtor; you shall have the further right at your option to prove and file your entire claim against the Debtor, and to collect any dividends that may be realized on your claims. If you realize or receive any dividends in any liquidation proceeding in any amounts in excess of the amount due from the Debtor or the undersigned by reason of this guaranty, you shall be obligated to remit to the undersigned any surplus to the extent that the undersigned is entitled.

It is the intention of this guaranty to assure you of payment, in full, for any indebtedness from time to time due from the Debtor (whether now or hereafter existing).

The undersigned agree that you shall have the sole discretion to determine to which obligation or in what order any payment, security or credit shall be applied, all to the end that you shall have maximum assurance of payment of all obligations to you or any affiliate.

Should you employ an attorney or attorneys to enforce the payment or other terms of this guaranty, or to enforce the payment of any claim or claims against the Debtor, you shall be entitled to reimbursement from the undersigned of the amount of attorneys' fees and other costs which you may have paid or obligated yourself to pay.

The undersigned agree that any amounts due from the undersigned shall be immediately due upon demand and shall be paid to you at 8600 W. Bryn Mawr Avenue, Chicago, Illinois 60631-3505.

The failure of you to enforce any of the provisions of this guaranty at any time or for any period of time shall not be construed to be a waiver of any such provision or of the right thereafter to enforce the same.

This instrument contains the entire and only agreement between the undersigned and you with respect to the guaranty of debts and obligations of the Debtor by the undersigned and any representation, promise,

condition or undertaking in connection therewith which is not expressed in this guaranty or a Franchise Agreement shall not be binding on you or upon the undersigned. All prior collateral understandings and agreements concerning such guaranty have been superseded by this guaranty. The provisions of this guaranty shall not be changed or discharged except by written instrument signed by you and the undersigned and may be revoked only in accordance with the above provision. The signing of this guaranty by the undersigned does not change or discharge any guaranty previously signed relating to Debtor. Likewise, the signing of any additional guaranty of Debtor does not change or discharge this guaranty.

This guaranty shall be governed by and only interpreted according to the laws of Illinois (without regard to principles of conflicts of law). The undersigned consent to the exclusive personal jurisdiction and venue of any federal or state court in Cook County, Illinois or any Illinois county contiguous to Cook County regarding any dispute involving this guaranty. The invalidity or unenforceability of any provision of this guaranty shall not affect any other provision. If any provision of this guaranty is determined by a court of competent jurisdiction to be invalid or unenforceable, that provision shall be deemed severable and this guaranty shall be enforced with that provision severed or as modified by the court.

If there is more than one undersigned, the obligations hereunder are joint and several with respect to each undersigned.

_____ (Signature of Guarantor)	_____ (Signature of Second Guarantor if more than one)
_____ Printed Name	_____ Printed Name
_____ (Street Address, City, State, Zip)	_____ (Street Address, City, State, Zip)
_____ (Social Security #)	_____ (Social Security #)
_____ (Date)	_____ (Date)

**IMPORTANT**

**A signed Financial Statement of each guarantor must accompany this form when returned to True Value Specialty Company, LLC and must be provided yearly thereafter.**

**THIS GUARANTY IS NOT COMPLETE UNTIL ALL BLANK SPACES ARE COMPLETED**

**FRANCHISE ASSIGNMENT, SALE AND TRANSFER  
TO ENTITY OWNED BY ORIGINAL FRANCHISEE**

A. Assignment and Sale

Pursuant to Section 16(c)(ii) of the True Value Rental Franchise Agreement dated \_\_\_\_\_, by and between the undersigned and True Value Specialty Company, LLC (the "Agreement"), I/we hereby transfer, subject to approval by True Value Specialty Company, LLC (the "Company"), all my/our rights, in the Agreement, effective \_\_\_\_\_, to the transferee named below. I/we understand that this transfer does not relieve me/us of my/our obligations under the Agreement. To induce the Company to approve this assignment:

(01) I/we agree to subordinate any payment due to me/us from the Transferee (as defined below) to any other obligation the Transferee may have to the Company. If the Company notifies me/us of our default by the Transferee of its obligations to the Company under the Agreement, I/we will not accept any further amounts that may be owed to me/us by the Transferee until the Company has confirmed, in writing, that such defaults have been cured.

(02) I/we release the Company and its officers, directors, and agents, from all actions and claims I/we may have against them arising out of their sale to me/us of the Franchise, or in connection with my/our operation of the Franchise, including, but not limited to, any claims arising under the Agreement.

(03) I/we will remain bound to all the obligations of the Franchisee contained in the Agreement to the same extent as if I/we remain the Franchisee under that Agreement.

---

Name of New Franchisee ("Transferee")

---

Address of Transferee

---

City, State and Zip Code

---

Signature of Original Franchisee ("Transferor")

---

Date

B. Acceptance of Transfer by New Franchisee

The undersigned hereby accepts transfer of the Agreement and agrees to be bound by all of the provisions of the Agreement and to assume all of the obligations required of Franchisee named herein.

\_\_\_\_\_ (name of new Franchisee)

By: \_\_\_\_\_ Dated: \_\_\_\_\_  
Signature, Title

C. Approval of Transfer

It is hereby agreed that the transferee named above is approved and accepted as Franchisee for the Franchised Business described in the Agreement and is authorized to exercise all rights and obligations of Franchisee named in the Agreement including the right to renew the Agreement upon expiration thereof, pursuant to the terms of the Agreement.

TRUE VALUE SPECIALTY  
COMPANY, LLC

Dated:

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



## GENERAL RELEASE

This GENERAL RELEASE (“Release”) is made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_ **[Name of franchisee]** (“Franchisee”), with reference to the following facts:

The undersigned Franchisee is a signatory to that certain Franchise Agreement dated \_\_\_\_\_, \_\_\_\_\_ (“Franchise Agreement”) by and between True Value Specialty Company, LLC (“Franchisor”), and Franchisee granting Franchisee the right to use the Franchisor’s Systems of Operation and Names and Marks to operate a True Value Rental rental store (“Franchised Business”) at a specific location.

Franchisee agrees that all capitalized terms in this Release shall have the meaning that is ascribed to them in the Franchise Agreement. This Release is being executed by the Franchisee pursuant to the requirements of the Franchise Agreement. Franchisee understands and agrees that execution of this Release is a condition of Franchisee’s rights under the Franchise Agreement to renew the Franchise Agreement and that Franchisee’s failure or refusal to execute this Release would result in Franchisee’s breach of the Franchise Agreement. In consideration of the rights granted by the Franchise Agreement, Franchisee executes this Release for the benefit of Franchisor.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS ACKNOWLEDGED, FRANCHISEE AGREES AS FOLLOWS:

1. General Release. Franchisee hereby releases and forever discharges Franchisor and its members, managers, officers, directors, owners, principals, employees, affiliates, successors and assigns (collectively the “Released Parties”), from any and all claims, demands, obligations, liabilities, actions, causes of action, suits, proceedings, controversies, disputes, agreements, promises, allegations, costs and expenses, at law or in equity, of every nature, character or description whatsoever, whether known or unknown, suspected or unsuspected or anticipated or unanticipated, which Franchisee ever had, now has, or may, shall or can hereafter have or acquire (collectively referred to as “Claims”). This Release includes, but is not limited to, all Claims arising out of, concerning, pertaining to or connected with the Franchise Agreement, any other agreement, tort, statutory violation, representation, nondisclosure, act, omission to act, fact, matter or thing whatsoever, occurring as of or prior to the date of this Release, so that after the date of this Release, Franchisee shall not have any Claim of any kind or nature whatsoever against the Released Parties, directly or indirectly, or by reason of any matter, cause, action, transaction or thing whatsoever done, said or omitted to have been done or said at any time prior to the date of this Release.

2. Waiver of Rights. This Release is intended by Franchisee to be a full and unconditional general release and to constitute a full, unconditional and final accord and satisfaction, extending to all Claims of any nature, whether or not known, expected or anticipated to exist in favor of Franchisee against the Released Parties regardless of whether any unknown, unsuspected or unanticipated Claim would materially affect settlement and compromise of any matter mentioned herein. Franchisee for itself, himself or herself, hereby expressly, voluntarily and knowingly waives, relinquishes and abandons each and every right, protection and benefit to which Franchisee would be entitled, now or at any time hereafter under the statutory or common law of the state where the Franchised Business is located, whether now or hereinafter existing under the laws of the state where the Franchised Business is located, or any other applicable federal and state law with jurisdiction over the parties relationship.

**[ALTERNATE PROVISION FOR CALIFORNIA FRANCHISEES ONLY]**

3. Waiver of Civil Code Section 1542. This Release is intended by Franchisee to be a full and unconditional general release and to constitute a full, unconditional and final accord and satisfaction, extending to all Claims of any nature, whether or not known, expected or anticipated to exist in favor of Franchisee against the Released Parties regardless of whether any unknown, unsuspected or unanticipated Claim would materially affect settlement and compromise of any matter mentioned herein. Franchisee hereby expressly, voluntarily and knowingly waives, relinquishes and abandons each and every right, protection and benefit to which Franchisee would be entitled, now or at any time hereafter under Section 1542 of the Civil Code of the State of California, as well as under any other statutes or common law principles of similar effect to Section 1542, whether now or hereinafter existing under the laws of California, or any other applicable federal and state law with jurisdiction over the parties' relationship. Franchisee acknowledges that Section 1542 of the Civil Code of the State of California provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

In making this voluntary express waiver, Franchisee acknowledges that Claims or facts in addition to or different from those which are now known or believed to exist with respect to the matters mentioned herein may later be discovered and that it is the intention of Franchisee to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered Claims or facts. This Release is and shall be and remain a full, complete and unconditional general release. Franchisee acknowledges and agrees that the foregoing waiver of Section 1542 is an essential, integral and material term of this Release.

4. Release Not Admission. Franchisee understands and agrees that the giving or acceptance of this Release and the agreements contained herein shall not constitute or be construed as an admission of any liability by Franchisor or an admission of the validity of any Claims made by or against Franchisor.

5. Authority of Parties. Each person executing this Release on behalf of a party hereto warrants and represents that he or she is duly authorized to execute this Release on behalf of such party.

6. No Prior Assignments. Franchisee represents and warrants that Franchisee has not previously assigned or transferred, or attempted to assign or transfer, to any third party any of the Claims which are the subject of this Release, all of such Claims being released.

7. Incorporation by Reference. The parties hereby incorporate the recitals of this Release as part of the substantive provisions of this Agreement.

8. Controlling Law. This Release shall be governed, construed and interpreted in accordance with the substantive laws of the state where the Franchised Business is located.

9. General Release. California Corporations Code Section 31512 voids a waiver of Franchisee's rights under the Franchise Investment Law (California Corporations Code Sections 31000 Through 31516). Business and Professions Code Section 20010 voids a waiver of Franchisee's rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

IN WITNESS WHEREOF, Franchisee has executed this Release on the date first shown above.

Franchisee

\_\_\_\_\_

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

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

4895-2773-6844, v. 2

**EXHIBIT E**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**STATE SPECIFIC FRANCHISE AGREEMENT RIDERS**

**(FOR THE STATE OF ILLINOIS)**

**RIDER TO THE TRUE VALUE SPECIALTY COMPANY LLC FRANCHISE AGREEMENT**

This Rider is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between TRUE VALUE SPECIALTY COMPANY, LLC, a Delaware limited liability company (“Franchisor”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“Franchisee”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement being signed concurrently with this Rider. This Rider is annexed to and forms part of that Franchise Agreement. This Rider is being signed because (a) the business will be operated in Illinois and/or (b) Franchisee is a resident of Illinois. This Rider will be of no force and effect unless the jurisdictional requirements of the Illinois Franchise Disclosure Act, and any of its regulations, are met independently without reference to this Rider.

2. During Fiscal Years 2019, 2020, and 2021, this Franchisor had fifty-two (52) franchise outlet closings.

**FRANCHISEE:**

Sign here if you are taking the franchise as an  
**INDIVIDUAL**

Sign here if you are taking the franchise as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name of Legal Entity

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

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: **TRUE VALUE SPECIALTY COMPANY, LLC** by its duly authorized agent

\_\_\_\_\_  
**(SEAL)**  
\_\_\_\_\_  
Vice President

**(FOR THE STATE OF MARYLAND)**

**RIDER TO THE TRUE VALUE SPECIALTY COMPANY LLC FRANCHISE AGREEMENT**

This Rider is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between TRUE VALUE SPECIALTY COMPANY, LLC, a Delaware limited liability company (“Franchisor”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“Franchisee”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement being signed concurrently with this Rider. This Rider is annexed to and forms part of that Franchise Agreement. This Rider is being signed because (a) the business will be operated in Maryland and/or (b) Franchisee is a resident of Maryland. This Rider will be of no force and effect unless the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, and any of its regulations, are met independently without reference to this Rider.

2. Section 23(a) is amended by the addition of the following language at the end of such section:

The foregoing choice of law shall not apply to claims which arise under the Maryland Franchise Registration and Disclosure Law.

3. Section 2(b)(i) and Section 16(c)(ii)(e)(i) are amended by the addition of the following language at the end of each section:

The general release required as a condition to renewal, sale or consent to assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. Section 19(b)(v) is amended by the addition of the following language at the end of such section:

However, termination upon bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. Section 23 is amended by the addition of the following at the end of such section:

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

**[Signatures on following page]**

**FRANCHISEE:**

Sign here if you are taking the franchise as an  
**INDIVIDUAL**

Sign here if you are taking the franchise as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name of Legal Entity  
By: \_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: **TRUE VALUE SPECIALTY COMPANY, LLC** by its duly authorized agent

\_\_\_\_\_  
**(SEAL)**  
\_\_\_\_\_  
Vice President

**(FOR THE STATE OF MINNESOTA)**

**RIDER TO THE TRUE VALUE SPECIALTY COMPANY, LLC FRANCHISE AGREEMENT**

This Rider is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between TRUE VALUE SPECIALTY COMPANY, LLC, a Delaware limited liability company (“Franchisor”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“Franchisee”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement signed concurrently with this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the business will be operated in Minnesota and/or (b) the offer or sale of the franchise occurred in Minnesota. This Rider will be of no force and effect unless the jurisdictional requirements of the Minnesota Franchise Act, and any of its regulations, are met independently without reference to this Rider.

2. Section 10(e) is deleted in its entirety and replaced with the following:

Franchisee shall immediately notify Franchisor of any challenge to Franchisee’s use of any of the Names or Marks, or claim by any person of rights in any Name or Mark, and not communicate with any person other than Franchisor, its attorneys and Franchisee’s own attorney regarding any such challenge or claim. If Franchisee has complied with all provisions of this Agreement applicable to the Names and Marks, Franchisor will protect Franchisee’s right to use the Names and Marks and will defend Franchisee in any claims, suits or demands regarding its use of the Names and Marks, to the extent required by Minn. Stat. Sec. 80C12, Subd.9(g). Franchisor shall have sole discretion to take such action it deems appropriate and the right exclusively to control any litigation or other proceeding relating to the Names and Marks. If it becomes advisable in Franchisor’s sole discretion to modify or discontinue any of the Names or Marks and/or to use one or more additional or substitute trade or service marks, Franchisee agrees to modify or otherwise discontinue the use of such Name or Mark, and/or to use one or more additional or substitute trade or service marks. Franchisor has no obligation to compensate Franchisee for the costs of complying with this obligation.

3. Section 20 is amended by the addition of the following language as 20(i):

Minnesota Law – Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(j) prohibit the Franchisor from requiring litigation be conducted outside of Minnesota, requiring waiver of a jury trial, or requiring Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, this Section shall not in any way abrogate or reduce Franchisee’s rights as provided for in Minnesota Statutes 1984, Chapter 80C, or Franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4. The following paragraph is added to Section 19(b):

Minnesota law provides franchisees with certain termination and non-renewal rights. Minn. Stat. § 80C.14, subd. 3, 4 and 5 require, except in certain specified cases, that 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.



5. Section 2(b)(i) and Section 16(c)(ii)(e)(i) are amended by the addition of the following language at the end of each section:

We are prohibited from requiring you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

**FRANCHISEE:**

Sign here if you are taking the franchise as an  
**INDIVIDUAL**

Sign here if you are taking the franchise as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name of Legal Entity

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

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: **TRUE VALUE SPECIALTY COMPANY, LLC** by its duly authorized agent

\_\_\_\_\_  
**(SEAL)**  
\_\_\_\_\_  
Vice President

**(FOR THE STATE OF NEW YORK)**

**RIDER TO THE TRUE VALUE SPECIALTY COMPANY, LLC FRANCHISE AGREEMENT**

This Rider is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between TRUE VALUE SPECIALTY COMPANY, LLC, a Delaware limited liability company (“Franchisor”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“Franchisee”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement signed concurrently with this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the business will be operated in New York and Franchisee is a resident of New York and/or (b) the offer or sale of the franchise occurred in New York. This Rider will be of no force and effect unless the jurisdictional requirements of the New York General Business Law, and any of its regulations, are met independently without reference to this Rider.

2. Section 16(a) is amended by the adding the following language at the end of such section:

However, no assignment will be made except to an assignee who, in Franchisor’s good faith judgment, is willing and able to assume our obligations under the Agreement.

3. Section 20 is amended by the adding the following as Section 20(i):

New York Law – The choice of law and choice of forum provisions contained herein should not be considered a waiver of any right conferred upon the Franchisee by the GBL of the State of New York, Article 33.

4. Section 2(b)(i) and Section 16(c)(ii)(e)(i) are amended by the addition of the following language at the end of each section:

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.

**[Signatures on following page]**

**FRANCHISEE:**

Sign here if you are taking the franchise as an  
**INDIVIDUAL**

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_

Sign here if you are taking the franchise as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
Print Name of Legal Entity  
By: \_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: **TRUE VALUE SPECIALTY COMPANY, LLC** by its duly authorized agent

\_\_\_\_\_  
(SEAL)  
\_\_\_\_\_  
Vice President

**(FOR THE STATE OF NORTH DAKOTA)**

**RIDER TO THE TRUE VALUE SPECIALTY COMPANY, LLC FRANCHISE AGREEMENT**

This Rider is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between TRUE VALUE SPECIALTY COMPANY, LLC, a Delaware limited liability company (“Franchisor”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“Franchisee”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement signed concurrently with this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is domiciled in North Dakota and the business will be operated in North Dakota, or (b) the offer or sale of the Franchise occurred in North Dakota.

2. Section 15(a)(ii) is amended by the addition of the following language at the end of such section:

The enforceability of the foregoing shall be subject to Section 9-08-06 of Chapter 9-08 of the North Dakota Century Code.

3. Section 20(d) is amended by the addition of the following language at the end of such section:

Notwithstanding the foregoing, any references in the Franchise Agreement to any requirement to consent to a waiver of exemplary and punitive damages are deleted.

4. Section 20(e) is amended by the addition of the following language at the end of such section:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, as amended, this Agreement shall be enforced against either Franchisee or Franchisor in courts located in North Dakota and interpreted in accordance with the laws of the State of North Dakota.

5. Section 20(f) is amended by the addition of the following language at the end of such section:

Notwithstanding the foregoing, any reference in the Franchise Agreement requiring waiver of a jury trial is hereby deleted.

6. Sections 2(b)(i) and 16(c)(ii)(e)(i) are amended by adding the following language at the end of each section:

Notwithstanding the foregoing, the release shall not apply to the extent prohibited by the North Dakota Franchise Investment Law, as amended.

**[Signatures on following page]**

**FRANCHISEE:**

Sign here if you are taking the franchise as an  
**INDIVIDUAL**

Sign here if you are taking the franchise as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name of Legal Entity  
By: \_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: **TRUE VALUE SPECIALTY COMPANY, LLC** by its duly authorized agent

\_\_\_\_\_  
**(SEAL)**  
\_\_\_\_\_  
Vice President

**(FOR THE STATE OF RHODE ISLAND)**

**RIDER TO THE TRUE VALUE SPECIALTY COMPANY, LLC FRANCHISE AGREEMENT**

This Rider is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between TRUE VALUE SPECIALTY COMPANY, LLC, a Delaware limited liability company (“Franchisor”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“Franchisee”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement signed concurrently with this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is a resident of Rhode Island and will operate the Franchise in Rhode Island and/or (b) the offer or sale of the Franchise occurred in Rhode Island.

2. Section 20(e) is amended by the adding the following language at the end of such section:

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

**FRANCHISEE:**

Sign here if you are taking the franchise as an  
**INDIVIDUAL**

Sign here if you are taking the franchise as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name of Legal Entity  
By: \_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: **TRUE VALUE SPECIALTY COMPANY, LLC** by its duly authorized agent

\_\_\_\_\_  
(SEAL)  
\_\_\_\_\_  
Vice President

**(FOR THE STATE OF VIRGINIA)**

**RIDER TO THE TRUE VALUE SPECIALTY COMPANY, LLC FRANCHISE AGREEMENT**

This Rider is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between TRUE VALUE SPECIALTY COMPANY, LLC, a Delaware limited liability company (“Franchisor”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“Franchisee”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement signed concurrently with this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because Franchisee has a place of business in Virginia.

2. Section 19(b) is amended by adding the following language at the end of such section:

Section 13.1-564 of the Virginia Retail Franchising Act provides that it is unlawful for a franchisor to cancel a franchise without reasonable cause.

**FRANCHISEE:**

Sign here if you are taking the franchise as an  
**INDIVIDUAL**

Sign here if you are taking the franchise as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name of Legal Entity

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

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: **TRUE VALUE SPECIALTY COMPANY, LLC** by its duly authorized agent

\_\_\_\_\_  
(SEAL)

\_\_\_\_\_  
Vice President

**(FOR THE STATE OF WASHINGTON)**

**RIDER TO THE TRUE VALUE SPECIALTY COMPANY, LLC FRANCHISE AGREEMENT**

This Rider is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between TRUE VALUE SPECIALTY COMPANY, LLC, a Delaware limited liability company (“Franchisor”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“Franchisee”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement signed concurrently with this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the business will be operated in the State of Washington; (b) Franchisee is a resident of the State of Washington; and/or (c) the offer or sale of the Franchise occurred in Washington. This Rider will be of no force and effect unless the jurisdictional requirements of the Washington Franchise Investment Protection Act, and any of its regulations, are met independently without reference to this Rider.

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

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

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

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

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

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



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

The undersigned does hereby acknowledge receipt of this addendum.

**[Signatures on following page]**

**FRANCHISEE:**

Sign here if you are taking the franchise as an  
**INDIVIDUAL**

Sign here if you are taking the franchise as a  
**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
**Signature**  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name of Legal Entity

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

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: **TRUE VALUE SPECIALTY COMPANY, LLC** by its duly authorized agent

\_\_\_\_\_  
(SEAL)

\_\_\_\_\_  
Vice President

**EXHIBIT F**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**GENERAL RELEASE**

## GENERAL RELEASE

This GENERAL RELEASE (“Release”) is made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_ **[Name of franchisee]** (“Franchisee”), with reference to the following facts:

The undersigned Franchisee is a signatory to that certain Franchise Agreement dated \_\_\_\_\_, \_\_\_\_\_ (“Franchise Agreement”) by and between True Value Specialty Company, LLC (“Franchisor”), and Franchisee granting Franchisee the right to use the Franchisor’s program and Marks to operate a True Value Rental rental store (“Franchised Business”) at a specific location.

Franchisee agrees that all capitalized terms in this Release shall have the meaning that is ascribed to them in the Franchise Agreement. This Release is being executed by the Franchisee pursuant to the requirements of the Franchise Agreement. Franchisee understands and agrees that execution of this Release is a condition of Franchisee’s rights under the Franchise Agreement to renew the Franchise Agreement and that Franchisee’s failure or refusal to execute this Release would result in Franchisee’s breach of the Franchise Agreement. In consideration of the rights granted by the Franchise Agreement, Franchisee executes this Release for the benefit of Franchisor.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS ACKNOWLEDGED, FRANCHISEE AGREES AS FOLLOWS:

1. General Release. Franchisee hereby releases and forever discharges Franchisor and its members, managers, officers, directors, owners, principals, employees, affiliates, successors and assigns (collectively the “Released Parties”), from any and all claims, demands, obligations, liabilities, actions, causes of action, suits, proceedings, controversies, disputes, agreements, promises, allegations, costs and expenses, at law or in equity, of every nature, character or description whatsoever, whether known or unknown, suspected or unsuspected or anticipated or unanticipated, which Franchisee ever had, now has, or may, shall or can hereafter have or acquire (collectively referred to as “Claims”). This Release includes, but is not limited to, all Claims arising out of, concerning, pertaining to or connected with the Franchise Agreement, any other agreement, tort, statutory violation, representation, nondisclosure, act, omission to act, fact, matter or thing whatsoever, occurring as of or prior to the date of this Release, so that after the date of this Release, Franchisee shall not have any Claim of any kind or nature whatsoever against the Released Parties, directly or indirectly, or by reason of any matter, cause, action, transaction or thing whatsoever done, said or omitted to have been done or said at any time prior to the date of this Release.

2. Waiver of Rights. This Release is intended by Franchisee to be a full and unconditional general release and to constitute a full, unconditional and final accord and satisfaction, extending to all Claims of any nature, whether or not known, expected or anticipated to exist in favor of Franchisee against the Released Parties regardless of whether any unknown, unsuspected or unanticipated Claim would materially affect settlement and compromise of any matter mentioned herein. Franchisee for itself, himself or herself, hereby expressly, voluntarily and knowingly waives, relinquishes and abandons each and every right, protection and benefit to which Franchisee would be entitled, now or at any time hereafter under the statutory or common law of the state where the Franchised Business is located, whether now or hereinafter existing under the laws of the state where the Franchised Business is located, or any other applicable federal and state law with jurisdiction over the parties relationship.

**[ALTERNATE PROVISION FOR CALIFORNIA FRANCHISEES ONLY]**

3. Waiver of Civil Code Section 1542. This Release is intended by Franchisee to be a full and unconditional general release and to constitute a full, unconditional and final accord and satisfaction, extending to all Claims of any nature, whether or not known, expected or anticipated to exist in favor of Franchisee against the Released Parties regardless of whether any unknown, unsuspected or unanticipated Claim would materially affect settlement and compromise of any matter mentioned herein. Franchisee hereby expressly, knowingly and intentionally waives any and all rights, benefits, and protections of Section 1542 and of any other state or federal statute or common law principle limiting the scope of a general release, as well as under any other statutes or common law principles of similar effect to Section 1542, whether now or hereinafter existing under the laws of California, or any other applicable federal and state law with jurisdiction over the parties' relationship. Franchisee has been made aware of, and understands, the provisions of California Civil Code Section 1542 ("Section 1542"), which provides:

**“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”**

In making this voluntary express waiver, Franchisee acknowledges that Claims or facts in addition to or different from those that are now known or believed to exist with respect to the matters mentioned herein may later be discovered and that it is the intention of Franchisee to hereby fully and forever settle and release any and all matters, regardless of the possibility of later discovered Claims or facts. This Release is and shall be and remain a full, complete and unconditional general release. Franchisee acknowledges and agrees that the foregoing waiver of Section 1542 is an essential, integral and material term of this Release.

4. Release Not Admission. **Franchisee understands and agrees that the giving or acceptance of this Release and the agreements contained herein shall not constitute or be construed as an admission of any liability by Franchisor or an admission of the validity of any Claims made by or against Franchisor.**

5. Authority of Parties. Each person executing this Release on behalf of a party hereto warrants and represents that he or she is duly authorized to execute this Release on behalf of such party.

6. No Prior Assignments. Franchisee represents and warrants that Franchisee has not previously assigned or transferred, or attempted to assign or transfer, to any third party any of the Claims which are the subject of this Release, all of such Claims being released.

7. Incorporation by Reference. The parties hereby incorporate the recitals of this Release as part of the substantive provisions of this Agreement.

8. Controlling Law. This Release shall be governed, construed and interpreted in accordance with the substantive laws of the state where the Franchised Business is located.

9. General Release. California Corporations Code Section 31512 voids a waiver of Franchisee's rights under the Franchise Investment Law (California Corporations Code Sections 31000 Through 31516). Business and Professions Code Section 20010 voids a waiver of Franchisee's rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

10. Exclusions. Nothing set forth in the release herein is intended to waive any representations made in the Franchisor's Franchise Disclosure Document delivered to Franchisee in connection with Franchisee's execution of franchise documents with Franchisor.

IN WITNESS WHEREOF, Franchisee has executed this Release on the date first shown above.

Franchisee

\_\_\_\_\_

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

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

**EXHIBIT G**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**FINANCIAL STATEMENTS**

**True Value Specialty Company, L.L.C.**  
Financial Statements  
As of December 31, 2021  
And the Year Then Ended



**True Value Specialty Company, L.L.C.**  
For the Year Ended December 31, 2021

**CONTENTS**

**Financial Statements:**

Independent Auditor’s Report .....	1-2
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Statements of Operations and Changes in Member’s Equity .....	4
Statements of Cash Flows .....	5
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## Independent Auditor's Report

Board of Managers  
True Value Specialty Company, L.L.C.

### Opinion

We have audited the financial statements of True Value Specialty Company, L.L.C. (the Company), which comprise the balance sheets as of December 31, 2021 and 2020, the related statements of operations and changes in member's equity and cash flows for the years ended December 31, 2021, 2020 and 2019, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years ended December 31, 2021, 2020 and 2019, in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable).

### Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*RSM US LLP*

Chicago, Illinois  
March 25, 2022

**True Value Specialty Company, L.L.C.**  
Balance Sheets  
For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Current Assets		
Cash	\$ 250,000	\$ 250,000
Non-Current Assets		
Net Receivable from True Value Company	1,514,899	1,385,363
<b>TOTAL ASSETS</b>	<u>\$ 1,764,899</u>	<u>\$ 1,635,363</u>
<b>LIABILITIES AND EQUITY</b>		
Member's Equity	\$ 1,764,899	\$ 1,635,363
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 1,764,899</u>	<u>\$ 1,635,363</u>

See Notes to Financial Statements

**True Value Specialty Company, L.L.C.**  
**Statements of Operations and Changes in Member's Equity**  
**For the Year Ended December 31, 2021**

	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>REVENUES</b>			
Royalty Income	\$ 1,097,581	\$ 1,194,499	\$ 1,272,235
Advertising and Other Revenue	83,770	144,009	102,287
Total Revenues	1,181,351	1,338,508	1,374,522
<b>EXPENSES</b>			
General and Administrative Expenses	874,612	1,286,906	1,357,200
Management Service Fee	177,203	200,776	206,178
Total Expenses	1,051,815	1,487,682	1,563,378
Net Gain/(Loss)	\$ 129,536	\$ (149,174)	\$ (188,856)
<b>MEMBER'S EQUITY</b>			
Opening Member's equity	\$ 1,635,363	\$ 1,784,537	\$ 1,973,393
Net Gain/(Loss)	129,536	(149,174)	(188,856)
Closing Member's equity	\$ 1,764,899	\$ 1,635,363	\$ 1,784,537

See Notes to Financial Statements

**True Value Specialty Company, L.L.C.**  
 Statements of Cash Flows  
 For the Year Ended December 31, 2021

	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net Income	\$ 129,536	\$ (149,174)	\$ (188,856)
Adjustments to reconcile net income to net cash provided by operating activities:			
Net Receivable from True Value Company	(129,536)	149,174	188,856
Net Change in Cash	-	-	-
Opening Cash Balance	250,000	250,000	250,000
Closing Cash Balance	\$ 250,000	\$ 250,000	\$ 250,000

See Notes to Financial Statements

**True Value Specialty Company, L.L.C.**  
Notes to Financial Statements  
For the Year Ended December 31, 2021

**Note 1 NATURE OF BUSINESS**

True Value Specialty Company, L.L.C. (“Specialty Company”), a Delaware limited liability company formed on April 24, 1997, with operations beginning July 1, 1997, is a wholly owned subsidiary of True Value Company, L.L.C. a Delaware limited liability company (the “Company”), which is an indirectly, wholly owned subsidiary of TV Holdco, L.L.C. (“Holdco”) and its subsidiaries. Holdco is a partnership between Acon TV Investors, L.L.C. (“Acon”) and TV Cooperative Company (the “Cooperative”), each holding approximately 70% and 30%, respectively, of the equity interest in Holdco. Specialty Company franchises True Value Rental stores and was originally capitalized with a cash contribution of \$250,000 from the Company. As of December 31, 2021 and 2020, there were 200 and 216 units, respectively, throughout the United States affiliated with Specialty Company.

**Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The Company’s financial statements are prepared using the accrual method of accounting.

**Management Estimates**

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

**Advertising**

Advertising costs are charged to expense when incurred.

**Federal and State Income Taxes**

Specialty Company’s income is taxable to the Company as a result of its limited liability status; accordingly, the accompanying financial statements do not include a provision for income taxes.

**Note 3 RELATED PARTY TRANSACTIONS**

Specialty Company has an agreement with the Company whereby the Company performs all management and administrative services. Revenues are billed to customers by the Company and allocated to Specialty Company. Expenses are paid by the Company on behalf of Specialty Company and then allocated to Specialty Company. The net effect of all such activity is reflected in Net receivable from or Net payable to True Value Company on the balance sheet. A management service fee is charged to Specialty Company at 15% of Specialty Company’s total revenues. The Company also allocated certain general and administrative expenses, primarily labor and benefits to Specialty Company based upon estimated time worked by certain employees. Certain general and administrative expenses relate to third party expenses paid by the Company on behalf of Specialty Company and include but are not limited to: advertising, legal and outside services. Advertising expenses, which is the largest component of these third party expenses, amount to \$58,566, \$60,381 and \$83,893 for the years ended December 31, 2021, 2020 and 2019, respectively. Dividends are discretionary and approved by a duly authorized officer of Specialty Company. Specialty Company made no cash dividend distributions to the Company for the years ended December 31, 2021, 2020 or 2019.

**True Value Specialty Company, L.L.C.**  
Notes to Financial Statements  
For the Year Ended December 31, 2021

**Note 4 REVENUE RECOGNITION**

Summary of Management Analysis

Management has analyzed the provisions of the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*, and has presented the results of operations in accordance with this standard. Revenue consists primarily of royalty, advertising, and other miscellaneous fees earned over the length of the franchise agreements.

Nature of Products, Performance Obligations, and Payment Terms

The following information is provided to enable the reader to understand the revenue streams under which Specialty Company transfers control of products or performs services to customers, including the timing of when revenue is recognized, the contractual payment terms, and other obligations incurred to customers.

Specialty Company records royalty revenue, in accordance with the franchise agreement, by charging each franchise store a flat fee of 1.3-3% of the gross rental receipts from its rental business. Specialty Company also charges each franchise store a brand fund contribution of \$30 per month, which is recorded monthly as revenue is earned. There are several additional types of revenues earned by Specialty Company including initial franchise fees, as well as various cost reimbursements for design, training, communications, catalogues, and other miscellaneous services, which are also recorded as revenue is earned. The transaction prices are both variable and fixed and determinable based on the terms of the contract. Revenue is recognized over time on a monthly basis in accordance with the terms of the contract.

The Company receives payment from franchises monthly for both royalties and revenue. The Company has not experienced collection issues.

Significant Judgments made by Management

In determining the amounts and timing of revenue to be recognized in the financial statements, management made certain initial judgments when either party to a contract commences performance of its contractual obligations. These initial estimates are subject to re-estimation whenever financial statements are issued for subsequent interim and annual periods.

Management believes that the Transition Period – Modified Retrospective Method performance obligation to recognize revenue is satisfied over time in accordance with the length of the executed contracts.

Transition Period - Modified Retrospective Method

Management has elected to use the modified retrospective method with the transition to the new standard. There were no reported changes on these financial statements.

- Management elected to apply the new standard only to contracts that were not completed contracts as of January 1, 2019, the date of initial application. Completed contracts are those for which all or



**True Value Specialty Company, L.L.C.**  
Notes to Financial Statements  
For the Year Ended December 31, 2021

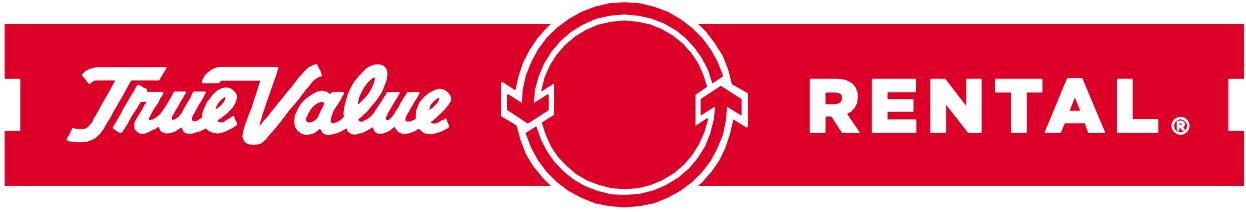
substantially all of the revenue was recognized in accordance with the legacy revenue guidance in effect prior to the date of initial application of the new standard

- For those contracts that were modified prior to January 1, 2019, management elected to reflect the aggregate effect of all modifications occurring prior to January 1, 2019 when:
  - Identifying the satisfied and unsatisfied performance obligations,
  - Determining the transaction price, and
  - Allocating the transaction price to the satisfied and unsatisfied performance obligations.

**Note 5      SUBSEQUENT EVENT**

The Specialty Company has determined as of March 25, 2022, the date when the consolidated financial statements were available to be issued, that no material subsequent events have occurred that require adjustments or disclosures.

**EXHIBIT H**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**TRUE VALUE RENTAL BRAND STANDARDS MANUAL TABLE OF CONTENTS**



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March 2017

**EXHIBIT I**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**

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

Member Number	Store Name - DBA	Franchisee Name	Address	City	State	9 Digit Zip Code	Telephone Number
15119	TAYLOR RENTAL	RIGHT RENTAL, L.L.C.	206 S TINNEY ST	TALLADEGA	AL	35160-2500	256-362-2433
15492	TOTAL TRUE VALUE RENTAL	TOTAL RENTAL CENTER, LLC	2480 E HUNTINGTON DR	FLAGSTAFF	AZ	86004-8934	928-779-0677
15500	TOTAL TRUE VALUE RENTAL	TOTAL RENTAL CENTER, LLC	1200 E RTE 66	FLAGSTAFF	AZ	86001-4749	928-774-2721
17813	JUST TRUE VALUE RENTAL	YAVAPAI COMMERCIAL, LLC	846 MILLER VALLEY RD	PRESCOTT	AZ	86301-1816	928-775-6366
15573	TAYLOR RENTAL	BEST RENTS, INC.	1545 RIVERSIDE AVE	PASO ROBLES	CA	93446-1745	805-238-2030
15501	TED'S TRUE VALUE RENTAL	TED'S RENTAL & SALES, INC.	999 COLLEGE DRIVE	DURANGO	CO	81301-5553	970-247-2930
15192	TAYLOR TRUE VALUE RENTAL	SHORELINE RENTALS, INC.	160 NORTH BRANFORD RD	BRANFORD	CT	06405-6011	203-488-1644
12133	TAYLOR TRUE VALUE RENTAL	AKO ENTERPRISES, INC.	150 ENFIELD ST	ENFIELD	CT	06082-1804	860-741-5999
03740	TAYLOR RENTAL CENTER	GREENWICH HARDWARE, INC.	40 OLD TRACK RD	GREENWICH	CT	06830-3301	203-622-1086
12277	TAYLOR RENTAL	BEAUPRE MOTOR SALES, INC.	274 BROAD ST	MANCHESTER	CT	06040-4034	860-643-2496
14920	TAYLOR RENTAL	RENT-ALLS UNLIMITED CORPORATION	564 CONNECTICUT AVE	NORWALK	CT	06854-1790	203-838-0678
13370	TAYLOR TRUE VALUE RENTAL	GENE'S RENTAL CENTER, INC.	304 BOSTON POST RD	ORANGE	CT	06477-3505	203-795-5251
12874	TAYLOR TRUE VALUE RENTAL	DAGENAIS, INC.	620 N COLONY RD	WALLINGFORD	CT	06492-2408	203-265-2824
14921	TAYLOR TRUE VALUE RENTAL	REDWAY ENTERPRISES, INC.	155 BOSTON POST ROAD	WESTBROOK	CT	06498-1738	860-669-2832
14363	TAYLOR RENTAL	MCDONNELL LEASING CORP.	378 DANBURY RD	WILTON	CT	06897-2510	203-762-9611
17725	GRAND RENTAL STATION	BARTON'S RENTALS LLC	20689 SUSSEX HWY	SEAFORD	DE	19973-5690	302-628-6838
16618	PALMER'S GRAND RENTAL STATION	P.P.P. RENTAL, INC.	503 W MAIN ST	AVON PARK	FL	33825-3627	863-453-0998
17660	GRAND RENTAL STATION	FLORIDA SALES & RENTAL, INC.	2677 HIGHWAY 17 NORTH	BOWLING GREEN	FL	33834-4115	863-773-0807
20201	TAYLOR TRUE VALUE RENTAL	JBC ENTERPRISES, LLC	204 CORTEZ RD. E.	BRADENTON	FL	34203-3527	941-758-3818

Member Number	Store Name - DBA	Franchisee Name	Address	City	State	9 Digit Zip Code	Telephone Number
21555	TRUE VALUE RENTAL OF CRYSTAL RIVER	TTVRB INC.	8081 W GULF TO LAKE HWY	CRYSTAL RIVER	FL	34429-7959	352-795-5600
13506	GRAND RENTAL STATION	FRED'S GRAND CENTRAL STATION, INC.	107 E BOSTON RD	EDGEWATER	FL	32141-4201	386-345-0261
13908	TAYLOR RENTAL	JOMAR RENTAL COMPANY	400 S 8TH ST	FERNANDINA BEACH	FL	32034-3610	904-261-2626
20189	TAYLOR TRUE VALUE RENTAL	ACCAMI INC.	12090 METRO PARKWAY	FORT MYERS	FL	33966-8365	239-768-6393
13691	TAYLOR RENTAL	HENSEVELT CORPORATION	253 N FLAGLER AVE	HOMESTEAD	FL	33030-6130	305-248-5165
21959	TRUE VALUE RENTAL OF INVERNESS	RENTAL OF INVERNESS INC.	3315 E GULF TO LAKE HWY	INVERNESS	FL	34453-3213	352-726-1900
12260	TAYLOR RENTAL CENTER	B.B.H. MANAGEMENT GROUP, INC.	1605 N MAIN ST	KISSIMMEE	FL	34744-3304	407-847-7063
14779	TRUE VALUE RENTAL OF LAKELAND	PLANT CITY RENTAL, INC.	2134 E EDGEWOOD DR	LAKELAND	FL	33803-3604	863-665-1505
12243	TAYLOR RENTAL / PARTY PLUS	AYOUB AND ASSOCIATES, INC.	4472 CORPORATE SQUARE	NAPLES	FL	34104-4755	239-643-1334
12611	KWI GRAND RENTAL STATION	NORTHERN TRIANGLE EQUIPMENT, LLC	930 NW 27TH AVE	OCALA	FL	34475-5618	352-622-4164
16181	TAYLOR RENTAL	441 RENTALS, INC.	3930 S PINE AVE	OCALA	FL	34480-8840	352-629-7936
16651	TAYLOR TRUE VALUE RENTAL	BIG LAKE EQUIPMENT RENTAL, INC.	523 N HIGHWAY 98	OKEECHOBEE	FL	34972-2309	863-467-2239
15216	TRUE VALUE RENTAL OF PLANT CITY	PLANT CITY RENTAL, INC.	601 S COLLINS ST	PLANT CITY	FL	33563-5513	813-754-1587
13881	ANDY'S TAYLOR TRUE VALUE RENTAL	J-MAR, INC.	1005 POPE RD	SAINT AUGUSTINE	FL	32080-5995	904-471-2991
15490	TAYLOR TRUE VALUE RENTAL	PARTY RENTAL U.S.A. INC.	4611 US HWY 27 S	SEBRING	FL	33870-5527	863-385-2239
13291	TRUE VALUE RENTAL OF TAMPA	JACK FRANKS, INC.	9901 EAST HILLSBOROUGH AVE	TAMPA	FL	33610-5933	813-685-4551
13293	TRUE VALUE RENTAL OF TAMPA	KENNETH & JACK FRANKS, INC.	13113 N FLORIDA AVE	TAMPA	FL	33612-3498	813-932-5377
14698	OUTDOOR EQUIPMENT CO INC	OUTDOOR EQUIPMENT COMPANY, INC.	3357 PEACH ORCHARD RD	AUGUSTA	GA	30906-4878	706-798-6226

Member Number	Store Name - DBA	Franchisee Name	Address	City	State	9 Digit Zip Code	Telephone Number
21085	POWERHOUSE TRUE VALUE RENTAL	POWERHOUSE OUTDOOR EQUIPMENT, INC.	703 S HOUSTON LAKE RD	WARNER ROBINS	GA	31088-9095	478-551-1040
16167	THOMPSONS' GRAND RENTAL STATION	THOMPSON RENTAL STATION, INCORPORATED	215 W IRVING PARK RD	BENSENVILLE	IL	60106-2111	877-823-9473
11795	THOMPSONS' GRAND RENTAL STATION	THOMPSON RENTAL STATION, INCORPORATED	1460 E OAKTON ST	DES PLAINES	IL	60018-2117	877-823-9473
11692	GRAND TRUE VALUE RENTAL	ST. PETERS HARDWARE & RENTAL, INC.	804 SOUTHWEST PLACE	EDWARDSVILLE	IL	62025-3661	618-692-6960
13588	GRAND RENTAL STATION	RENT RITE EQUIPMENT CO.	1260 EAST HIGGINS RD	ELK GROVE VILLAGE	IL	60007-1601	847-640-8860
13531	GRAND RENTAL STATION	EPOCH CORPORATION	5612 N ILLINOIS ST	FAIRVIEW HEIGHTS	IL	62208-3503	618-277-7750
20402	AMERICAN TRUE VALUE RENTAL	CALEB M. WANKEL	328 S MAIN STREET	JACKSONVILLE	IL	62650-2507	217-245-4333
19630	TRUE VALUE RENTAL	AKTWO, LLC	1105 W WEIR ST	LITCHFIELD	IL	62056-1035	217-324-4000
18302	NOONAN TRUE VALUE RENTAL	MN HARDWARE, INC.	3031 SOUTH KOKE MILL ROAD	SPRINGFIELD	IL	62711-7055	217-546-7368
16449	GRAND TRUE VALUE RENTAL	PLETKA FAMILY RENTAL, INC.	1262 S BRIDGE ST	YORKVILLE	IL	60560-1715	630-553-3111
12211	TAYLOR RENTAL CENTER	AUBURN RENTAL AND SUPPLY INC	2224 STATE RD 8 WEST	AUBURN	IN	46706-9548	260-925-3000
13574	GRAND TRUE VALUE RENTAL	GRAND RENTAL STATION OF HUNTINGBURG, INC.	635 MACARTHUR	JASPER	IN	47546-3670	812-481-2211
03649	GRAND RENTAL STATION	NRH LEASING CORP	131 ORPHA DRIVE	MIDDLEBURY	IN	46540-9702	574-825-1999
13517	GRAND RENTAL STATION OF SCOTTSBURG	SS SALES & RENTALS, INC.	585 S GARDNER	SCOTTSBURG	IN	47170-1015	812-752-4646
12935	GRAND TRUE VALUE RENTAL	CNTB,INC.	1505 VINE ST	HAYS	KS	67601-3429	785-625-7391
12814	GRAND TRUE VALUE RENTAL OF PARSONS	CMC, INC.	2925 MAIN ST	PARSONS	KS	67357-2645	620-421-3304
13569	GRAND RENTAL STATION	A. R. PENNYCUFF, INCORPORATED	210 BURKESVILLE RD	ALBANY	KY	42602-1604	606-387-6406
19010	GRAND TRUE VALUE RENTAL	PAT PIERRON EQUIPMENT RENTALS, LLC	600 BARATARIA AVE.	HOUMA	LA	70360-4321	985-876-3107

Member Number	Store Name - DBA	Franchisee Name	Address	City	State	9 Digit Zip Code	Telephone Number
13433	GRAND TRUE VALUE RENTAL	TOTAL RENTAL CENTER OF MOSS BLUFF, INC.	2004 E COLLEGE STREET	LAKE CHARLES	LA	70607-2075	337-478-3115
13440	GRAND TRUE VALUE RENTAL	TOTAL RENTAL CENTER OF MOSS BLUFF, INC.	487 HWY 171 N	LAKE CHARLES	LA	70607-5346	337-855-7791
15243	DANSBY'S TAYLOR RENTAL CENTER, L.L.C.	DANSBY'S TAYLOR RENTAL CENTER, L.L.C.	2102 FORSYTHE AVE	MONROE	LA	71201-3653	318-323-0312
18478	GRAND TRUE VALUE RENTAL	WRKE LLC	5612 CANAL BLVD	NEW ORLEANS	LA	70124-2813	504-483-7713
19011	GRAND TRUE VALUE RENTAL	PAT PIERRON EQUIPMENT RENTALS, LLC	1007 ST PATRICK HWY	THIBODAUX	LA	70301-2537	985-447-1887
12286	TAYLOR RENTAL ARLINGTON	ARLINGTON RENTALS, INC.	78 BOW ST	ARLINGTON	MA	02474-2715	781-646-9747
18532	TAYLOR TRUE VALUE RENTAL	PERFECT PARTY RENTALS, INC.	71 MECHANIC STREET	BELLINGHAM	MA	02019-1633	508-384-9444
01639	TAYLOR TRUE VALUE RENTAL	P & C CHAPDELAINE, INC.	200 SHAKER RD	EAST LONGMEADOW	MA	01028-2733	413-525-2576
15930	TAYLOR TRUE VALUE RENTAL	WEYMOUTH RENTALS, INC.	1059 WASHINGTON ST	EAST WEYMOUTH	MA	02189-1931	781-337-0793
12212	TAYLOR TRUE VALUE RENTAL	A & G RENTAL OF GARDNER, INC.	22 UNION SQUARE	GARDNER	MA	01440-3047	978-632-8800
12533	TAYLOR TRUE VALUE RENTAL	E CALIGARI & SONS, INC.	7 HIGH ST	GREAT BARRINGTON	MA	01230-1508	413-528-1770
15245	TAYLOR RENTAL CENTER	CYNTHIA REDEKER	369 HIGH ST	GREENFIELD	MA	01301-2617	413-773-8643
15538	TJ'S TRUE VALUE RENTAL	T J RENTS, INC.	301 RUSSELL ST	HADLEY	MA	01035-9522	413-584-4184
12424	TAYLOR TRUE VALUE RENTAL	BROADWAY RENTAL, INC.	531 BROADWAY	HAVERHILL	MA	01832-1203	978-374-0136
11977	TAYLOR RENTAL CENTER	R. A. CLARK, INC.	14 SHAWMUT AVE	HOLYOKE	MA	01040-2324	413-536-0873
12134	TAYLOR TRUE VALUE RENTAL	A & G RENTAL, INC.	197 MILL ST	LEOMINSTER	MA	01453-3297	978-537-9793
11706	MARLBOROUGH GRAND RENTAL STATION	P&M MONTALBANO ENTERPRISES, LLC	135 MAPLE STREET	MARLBOROUGH	MA	01752-2690	508-485-3654
16134	KELLY'S TRUE VALUE RENTAL	PCK ENTERPRISES, INC.	161 STATE ST	NEWBURYPORT	MA	01950-6635	978-465-6650



Member Number	Store Name - DBA	Franchisee Name	Address	City	State	9 Digit Zip Code	Telephone Number
19706	TAYLOR RENTAL	FALMOUTH RENTAL EQUIPMENT, INC.	432 NORTH FALMOUTH HWY	NORTH FALMOUTH	MA	02556-2802	508-563-1960
15372	CAMBRIDGE TAYLOR RENTAL	CAMBRIDGE RENTAL EQUIPMENT, INC.	352 MCGRATH HIGHWAY	SOMERVILLE	MA	02143-2116	617-666-7368
11733	TJ'S TRUE VALUE RENTAL	T J RENTS, INC.	577 GRANBY RD	SOUTH HADLEY	MA	01075-2122	413-533-5503
15283	SUDBURY TRUE VALUE RENTAL	MARTEL RENTALS, INCORPORATED	712 BOSTON POST RD	SUDBURY	MA	01776-3330	978-443-7368
14963	TAYLOR TRUE VALUE RENTAL	RENTAL CITY INC.	26 WASHINGTON ST	WELLESLEY HILLS	MA	02481-1705	781-237-4156
15186	JEROME'S PARTY PLUS	JEROME ENTERPRISES, INC.	253 UNION ST	WESTFIELD	MA	01085-2463	413-562-1777
13374	GRAND TRUE VALUE RENTAL	GENERAL RENTAL CENTER, INC.	9093 CENTREVILLE RD	EASTON	MD	21601-7009	410-820-7450
13688	GRAND RENTAL STATION	HOGUE ENTERPRISES, INC.	8251 TELEGRAPH RD	ODENTON	MD	21113-1142	410-674-7500
20302	BIDDEFORD TAYLOR TRUE VALUE RENTAL	PINE TREE RENTAL, INC.	6 COMMERCIAL STREET	BIDDEFORD	ME	04005-4408	207-282-5104
13790	GRAND TRUE VALUE RENTAL	HOULTON RENTAL CENTER, INC.	428 NORTH ST	HOULTON	ME	04730-3535	207-532-9200
11732	GRAND TRUE VALUE RENTAL	HOULTON RENTAL CENTER, INC.	191 PARSONS ROAD	PRESQUE ISLE	ME	04769-5115	207-760-9200
17784	TAYLOR RENTAL	PINE TREE RENTAL, INC.	1306 MAIN ST	SANFORD	ME	04073-3635	207-324-5198
03011	GRAND RENTAL STATION	ACADIA RENTAL, INC.	350 BAR HARBOR ROAD	TRENTON	ME	04605-5805	207-667-1700
13501	TRUE VALUE RENTAL	GRAND RENTAL STATION 3685, LLC	1109 SALZBURG AVE	BAY CITY	MI	48706-6302	989-686-2741
14155	TAYLOR RENTAL	LO-GALE RENTALS, INC.	2524 M-139 HWY	BENTON HARBOR	MI	49022-6414	269-925-2125
01719	TRUE VALUE RENTAL OF NORTHERN KENT CO.	CHOMMEN LLC	3575 14 MILE RD	CEDAR SPRINGS	MI	49319-9117	616-866-7670
13470	GRAND RENTAL STATION	FRANK'S GRAND RENTAL STATION, INC.	46948 GRATIOT AVE	CHESTERFIELD	MI	48051-2809	586-949-7368
01390	GRAND TRUE VALUE RENTAL	D & A RENTAL DEPOT, INC.	575 TANNER LAKE RD	HASTINGS	MI	49058-9229	269-948-9891

Member Number	Store Name - DBA	Franchisee Name	Address	City	State	9 Digit Zip Code	Telephone Number
13775	TAYLOR TRUE VALUE RENTAL	HOLST ENTERPRISES, INC.	62 S WAVERLY ROAD	HOLLAND	MI	49423-3053	616-392-8539
01841	GRAND RENTAL STATION	LUDINGTON RENTAL, L.L.C.	5061 WEST US 10	LUDINGTON	MI	49431-8692	231-843-0407
13482	GRS OF MANISTEE	CARO, INC.	52 ARTHUR ST	MANISTEE	MI	49660-1102	231-723-6886
13665	HAVIT SUPPLIES WEST	HAVIT SUPPLIES, INC.	30 E CLAY ST	MUSKEGON	MI	49442-1052	616-532-2923
14697	TAYLOR TRUE VALUE	O'DONNELL-SULLIVAN, INC.	1888 MITCHELL RD	PETOSKEY	MI	49770-9686	231-347-1840
13475	GRAND TRUE VALUE RENTAL	FOUR SEASONS SALES AND SERVICE, INC.	58904 US 131	THREE RIVERS	MI	49093-8231	269-279-6041
19014	GRAND RENTAL STATION	RENTAL HOLDINGS, LLC.	728 RAILROAD DRIVE NW	ELK RIVER	MN	55330-2518	763-441-8608
16144	GRAND TRUE VALUE RENTAL	IMS CONSTRUCTION, INC.	2309 HWY 12 E	WILLMAR	MN	56201-5823	320-214-8744
17700	TRUE VALUE RENTAL	BROX ENTERPRISES, L.L.C.	16728 STATE HWY 13	BRANSON WEST	MO	65737-8839	417-272-0056
01698	GRAND TRUE VALUE RENTAL	GRENINGER PARTNERS, LP	2043 S GARRISON AVE	CARTHAGE	MO	64836-3613	417-358-2800
13508	GRAND TRUE VALUE RENTAL PARTY PLUS	P R I, INC.	616 E KARSCH BLVD	FARMINGTON	MO	63640-1226	573-756-1630
13493	GRAND RENTAL STATION	THE 94 CORPORATION	570 RUDDER RD	FENTON	MO	63026-2007	636-343-7278
19919	LIBERTY RENTAL 4 U	TR COMPANIES LLC	410 N. CHURCH RD.	LIBERTY	MO	64068-1094	816-792-9922
13733	TAYLOR RENTAL	HOBART ENTERPRISES, INC.	1560 HWY 1 SOUTH	GREENVILLE	MS	38701-7142	662-335-3535
11716	GRAND RENTAL STATION	UPCHURCH RENTAL, LLC	421 HIGHWAY 82 W	GREENWOOD	MS	38930-6536	662-451-7971
15591	TAYLOR TRUE VALUE RENTAL	OTIS CAMPBELL RENTAL COMPANY, INC.	4219 LINCOLN ROAD EXT	HATTIESBURG	MS	39402-3065	601-261-5060
14936	GRAND RENTAL STATION	RENT-ALL INCORPORATED	1106 HENDERSONVILLE	ASHEVILLE	NC	28803-1804	828-274-2332
16974	GRAND RENTAL STATION	FARMERS RENTALS & POWER EQUIPMENT, INC.	678 HIGHWAY 105 EXT	BOONE	NC	28607-4902	828-264-6044
13448	GRAND RENTAL STATION	GRST, INC.	115 WOODWINDS IND CRT	CARY	NC	27511-6240	919-380-7368
01903	GRAND RENTAL STATION	LBM INDUSTRIES, INC.	696 HIGHWAY 64	CASHIERS	NC	28717-6030	828-743-6180

Member Number	Store Name - DBA	Franchisee Name	Address	City	State	9 Digit Zip Code	Telephone Number
16634	GRAND TRUE VALUE RENTAL OF CLINTON	JNSCO, INC.	611 WARSAW RD	CLINTON	NC	28328-3631	910-596-2228
20852	GRAND TRUE VALUE RENTAL OF DUNN	JNSCO, INC.	306 SOUTH POWELL AVE	DUNN	NC	28334-0001	910-892-2050
18644	GRAND RENTAL STATION	LBM INDUSTRIES, INC.	2833 HIGHLANDS RD	FRANKLIN	NC	28734-3510	828-524-3970
04433	RENTAL SUPPLY INC	RENTAL SUPPLY, INC.	214 STAGE COACH TRL	GREENSBORO	NC	27409-1812	336-852-0881
13906	JEFFERSON TRUE VALUE RENTAL	JEFFERSON RENT-ALL, INC.	427 S MAIN ST	JEFFERSON	NC	28640-9519	336-246-8136
15770	VALLEY RENTAL CENTERS INC	VALLEY RENTAL CENTERS, INC.	1401 MORGANTON BLVD	LENOIR	NC	28645-5507	828-758-7400
18223	GRAND RENTAL STATION	LBM INDUSTRIES, INC.	1188 W MAIN STREET	SYLVA	NC	28779-5211	828-631-1227
18794	TRUE VALUE RENTAL	HOBSON'S CHOICE, INC.	13948 CAPITAL BOULEVARD	WAKE FOREST	NC	27587-6613	919-554-1444
17567	GRAND RENTAL STATION	GRS, LLC	6195 US HIGHWAY 264 W	WASHINGTON	NC	27889-8028	252-974-1030
17506	FARGO RENTALL	FARGO RENTALL INC.	3201 32 ST SOUTH	FARGO	ND	58104-8815	701-893-1900
13396	TAYLOR TRUE VALUE RENTAL	GORSE ENTERPRISES, INC.	160 DANIEL WEBSTER HWY	BELMONT	NH	03220-3036	603-524-5553
12877	TAYLOR TRUE VALUE RENTAL	DARTNELL ENTERPRISES, INC.	276 N STATE STREET	CONCORD	NH	03301-3224	603-224-1931
20683	PIP RENTAL	JIP CONSTRUCTION, LLC	67 NH RT. 11	FARMINGTON	NH	03835-3835	603-332-0911
17517	GRAND RENTAL STATION	RENO-JAMES INVESTMENTS, INC.	285 DERRY RD	HUDSON	NH	03051-3021	603-883-8153
14012	GRAND RENTAL STATION	RENO-JAMES INVESTMENTS, INC.	122 BRIDGE ST	PELHAM	NH	03076-3403	603-635-1523
15984	WESTVILLE GRAND RENTAL	BERUBE AND SICKEL CORPORATION	63 PLAISTOW RD	PLAISTOW	NH	03865-4856	603-382-7806
16814	TAYLOR TRUE VALUE RENTAL	DOVER RENTALS INC.	432 PORTLAND AVE	ROLLINSFORD	NH	03869-5906	603-742-1987
14613	TAYLOR RENTAL	ALAN NEUWIRTH RENTAL CENTER, INC.	284 SPRINGFIELD AVE	BERKELEY HEIGHTS	NJ	07922-1240	908-464-9111

Member Number	Store Name - DBA	Franchisee Name	Address	City	State	9 Digit Zip Code	Telephone Number
13523	GRAND TRUE VALUE RENTAL OF BLOOMFIELD	LAMBERSON, INC.	668 BLOOMFIELD AVENUE	BLOOMFIELD	NJ	07003-2520	973-748-7000
17498	GRAND TRUE VALUE RENTAL OF HACKETTS TOWN	GRAND RENTAL STATION OF BLAIRSTOWN, INC.	105 MAPLE AVENUE	HACKETTSTOWN	NJ	07840-0000	908-850-8515
15274	TAYLOR RENTAL	SCHROEDER RENTAL SERVICES, INC.	448 BROADWAY	HILLSDALE	NJ	07642-1411	201-664-0900
12156	ASTRO RENTS	GREGG-DANA, INC.	933 US HIGHWAY 22	NORTH PLAINFIELD	NJ	07060-3624	908-757-6930
15280	TAYLOR RENTAL	SCHROEDER RENTAL SERVICES, INC.	409 GOFFLE RD	RIDGEWOOD	NJ	07450-4034	201-447-0360
17579	TRUE VALUE RENTAL OF ROCKAWAY	POWER RENTALS LIMITED LIABILITY COMPANY	319 ROUTE 46	ROCKAWAY	NJ	07866-3833	973-627-6227
15927	TAYLOR RENTAL	WASHINGTON RENTAL CENTER	255 RT 31 S	WASHINGTON	NJ	07882-4068	908-689-4666
18502	Y-BY RENTAL	Y-BY PARTY RENTALS, INC.	1090 MANTUA PIKE	WENONAH	NJ	08090-1124	856-468-4500
12419	TAYLOR RENTAL	BREIG RENTALS LTD.	84 FIFTH AVE	BAY SHORE	NY	11706-7331	631-665-2055
15292	TAYLOR RENTAL	SOUTHERN TIER RENTAL SERVICE, INC.	1029 FRONT ST	BINGHAMTON	NY	13905-1203	607-723-8317
14967	TAYLOR RENTAL	REIKES RENTAL INC.	5998 W GENESEE ST	CAMILLUS	NY	13031-1200	315-488-6143
15294	TAYLOR TRUE VALUE RENTAL	MCMASTER COMPANY, INC.	4978 BROADWAY	DEPEW	NY	14043-3926	716-681-0860
18535	TAYLOR TRUE VALUE RENTAL	RENTING MEMORIES, LLC	3131 ERIE BLVD E	DEWITT	NY	13214-1201	315-446-7101
12009	ABBAY RENT-ALL	ABBAY TOOL & PARTY RENT-ALL, INC.	301S BROADWAY	HICKSVILLE	NY	11801-5005	516-681-1323
21754	TAYLOR TRUE VALUE RENTAL	SEDORE EQUIPMENT, INC.	1779 HANSHAW ROAD	ITHACA	NY	14850-9105	607-273-1807
16802	TAYLOR TRUE VALUE RENTAL	MILL BROOK LIMITED	5752 RT 209	KERHONKSON	NY	12446-3109	845-626-4747
13473	GRAND TRUE VALUE RENTAL	DAVID MCCAREY ASSOCIATES, INC.	388 E MAIN ST	MIDDLETOWN	NY	10940-3421	845-341-1500

Member Number	Store Name - DBA	Franchisee Name	Address	City	State	9 Digit Zip Code	Telephone Number
17512	TAYLOR RENTAL CENTER	ADIRONDACK TOOL CO., INC.	550 ROUTE 3 STE 100	PLATTSBURGH	NY	12901-2994	518-324-5100
19751	COMMERCIAL SALES	ADIRONDACK TOOL CO., INC.	108 HAMMOND LANE	PLATTSBURGH	NY	12901-2020	518-324-9990
14792	TAYLOR TRUE VALUE RENTAL OF PORT JEFFERSON	PORT JEFFERSON RENTAL CENTER INC.	555 HALLOCK AVE	PORT JEFFERSON STAT	NY	11776-1221	631-928-2555
19182	EQUIPMENT RENTALS AND SALES, INC.	EQUIPMENT RENTALS AND SALES, INC.	3606 RT 9G	RHINEBECK	NY	12572-3310	845-516-4057
15304	TAYLOR TRUE VALUE RENTAL	ROME RENTAL CENTER, INC.	1217 ERIE BLVD W	ROME	NY	13440-8303	315-336-7370
19021	TAYLOR RENTAL	ADIRONDACK TOOL CO., INC.	372 BROADWAY	SARANAC LAKE	NY	12983-1143	518-891-9300
21753	TAYLOR TRUE VALUE RENTAL	SEDORE EQUIPMENT, INC.	136 N. JENSEN ROAD	VESTAL	NY	13850-2176	607-729-7156
18547	GRAND RENTAL STATION	JOSEPH M. BERNARD	1701 UNION RD	WEST SENECA	NY	14224-2070	716-674-4700
16257	TAYLOR TRUE VALUE RENTAL	BOCCABELLA INDUSTRIES, INCORPORATED	37360 FRENCH CREEK ROAD	AVON	OH	44011-1708	440-934-3736
15529	GRAND RENTAL STATION	RENTAL SERVICES, INC.	936 S MAIN ST	BELLEFONTAINE	OH	43311-1615	937-599-2045
12215	TAYLOR RENTAL	AMERI RENTAL CENTER, INC.	1390 W BAGLEY RD	BEREA	OH	44017-2912	440-234-7200
13611	HANDY RENTS	MIKE & TERRIE ENTERPRISES, INC.	35761 CURTIS BLVD.	EASTLAKE	OH	44095-0000	440-946-2194
19964	FACKLER TRUE VALUE RENTAL	FACKLER COUNTRY GARDENS, INC.	2326 NEWARK-GRANVILLE RD	GRANVILLE	OH	43023-9290	740-522-3128
19493	TAYLOR TRUE VALUE RENTAL	FETTERS RUN, LLC	450 W FAIR AVENUE	LANCASTER	OH	43130-1746	740-994-4371
16109	GRAND RENTAL STATION	RUEGG, INC.	7120 ALLIANCE RD NW	MALVERN	OH	44644-9429	330-863-6442
12119	ABC RENTAL CENTER EAST INC	ABC RENTAL CENTER EAST, INC.	5204 WARRENSVILLE CENTER RD	MAPLE HEIGHTS	OH	44137-1902	216-475-8240
14680	GRAND RENTAL STATION	OK RENTAL	2363 W FREMONT RD	PORT CLINTON	OH	43452-9676	419-734-3101
15530	GRAND RENTAL STATION	RENTAL SERVICES, INC.	3843 STATE HIGHWAY 68	URBANA	OH	43078-9411	937-484-3333
13451	GRAND RENTAL STATION	STRANGE-JONES WHOLESALE COMPANY	123 SOUTH 2ND	CLINTON	OK	73601-3405	580-323-0724
13435	GRAND TRUE VALUE RENTAL OF GROVE	SISCO HARDWARE, INC.	64047 E 290 RD	GROVE	OK	74344-8005	918-786-5758

Member Number	Store Name - DBA	Franchisee Name	Address	City	State	9 Digit Zip Code	Telephone Number
20137	TRUE VALUE RENTAL	COLE EQUIPMENT AND RENTAL LLC	515 NORTH MAIN ST.	NORTH MIAMI	OK	74358-4811	918-540-9391
17748	TAYLOR RENTAL	SPCC, L.L.C.	2510 S KERR BLVD	SALLISAW	OK	74955-7460	918-776-0796
17573	TRUE VALUE RENTAL	BASELINE RENTAL STATION LLC	2207 BASELINE ST	CORNELIUS	OR	97113-8617	503-992-7368
13487	GRAND TRUE VALUE RENTAL OF YORK	GRAND RENTAL OF YORK, INC.	2801 S QUEEN ST	DALLASTOWN	PA	17313-9590	717-741-2666
13078	DUPONT GRAND RENTAL STA INC	DUPONT GRAND RENTAL STATION, INC.	505 PITTSTON AVE	DUPONT	PA	18641-1450	570-654-6941
13347	GRAND RENTAL STATION	ERIE-GRAND RENTAL STATION, INC.	5045 BUFFALO RD	ERIE	PA	16510-2305	814-899-3998
16474	OLDE EARTH TRUE VALUE RENTAL	TRENT COAL, INC.	664 BLACKBURN RD	FRIEDENS	PA	15541-7305	814-443-9130
19847	ALEXSON GRAND TRUE VALUE RENTAL	MZ GEORGE ENTERPRISES, LLC	3 PASTUSZEK BLVD	LINWOOD	PA	19061-4363	610-497-7774
14927	GRAND RENTAL STATION	GRAND RENTAL STATION OF NORTH APOLLO, LLC	RIVER RD	NORTH APOLLO	PA	15673-0867	724-568-2866
13090	TAYLOR RENTAL	TOTAL RENTAL, INC.	766 VALLEY FORGE RD	PHOENIXVILLE	PA	19460-2518	610-933-1107
13491	ABSOLUTE EQUIPMENT	RENT MART, INC.	3038 BABCOCK BLVD	PITTSBURGH	PA	15237-2790	412-931-6655
19711	ORE RENTALS	ORE, INC.	699 N WEST END BLVD	QUAKERTOWN	PA	18951-4101	215-536-7874
13498	GRAND TRUE VALUE RENTAL	M.P.M. RENTAL, INC.	1910 SCRANTON CARBONDALE HWY	SCRANTON	PA	18508-1144	570-383-4197
13480	GRAND RENTAL STATION OF WMSPT	GRAND RENTAL OF WILLIAMSPORT, INC.	1801 LYCOMING CREEK RD	WILLIAMSPORT	PA	17701-1523	570-323-9838
22575	TAYLOR RENTAL	NK RENTALS INC.	7785 POST RD	NORTH KINGSTOWN	RI	02852-0000	401-580-7653
15334	TAYLOR TRUE VALUE RENTAL	WARREN RENTALS, INC.	333 MARKET St	WARREN	RI	02885-2636	401-247-0400
14052	TAYLOR TRUE VALUE RENTAL OF WARWICK	LAROSE ENTERPRISES, LTD.	2296 POST RD	WARWICK	RI	02886-2242	401-739-4211
19900	GRAND RENTAL STATION	LBM INDUSTRIES, INC.	980 TIGER BLVD	CLEMSON	SC	29631-1418	864-654-9187

Member Number	Store Name - DBA	Franchisee Name	Address	City	State	9 Digit Zip Code	Telephone Number
15509	SURFSIDE EQUIP RENTAL & SALES	SURFSIDE SMALL ENGINES, INC.	2301 GLENS BAY RD	SURFSIDE BEACH	SC	29575-4834	843-650-8192
19226	GRAND RENTAL STATION	LBM INDUSTRIES, INC.	833 ANDERSON ST.	WEST UNION	SC	29696-2606	864-718-1449
16468	GRAND TRUE VALUE RENTAL	GREENEVILLE RENTAL STATION, LLC	2215 E ANDREW JOHNSON HWY	GREENEVILLE	TN	37745-4375	423-639-6160
18665	RED HAT RENTALS	SBA ENTERPRISES, LLC	3210 W OAK ST	PALESTINE	TX	75801-5407	903-729-3400
16972	TAYLOR RENTAL	MARK MANCILL, INC.	1518 NORTH CENTRAL EXPRESSWAY	PLANO	TX	75074-5714	972-423-6557
20111	HEAVENER TRUE VALUE RENTAL	HEAVENER RENTAL L.L.C.	901 PROGRESS STREET	BLACKSBURG	VA	24060-9998	540-961-7368
12207	APPALACHIAN EQUIP & SPLY OF VA	APPALACHIAN EQUIPMENT & SUPPLY OF VIRGINIA, INC.	600 N MAIN ST	HARRISONBURG	VA	22802-4621	540-434-8338
17846	GRAND RENTAL STATION	RENTAL STORES, L.L.C.	12500 WARICK BLVD	NEWPORT NEWS	VA	23606-2605	757-595-8850
18452	GRAND TRUE VALUE RENTAL OF VINTON	KINNAN ENTERPRISES, INC.	1000 VINYARD RD	VINTON	VA	24179-4718	540-343-1000
17605	GRAND RENTAL STATION	RENTAL STORES, L.L.C.	4401 IRONBOUND ROAD	WILLIAMSBURG	VA	23188-2621	757-220-0003
15346	GRAND TRUE VALUE RENTAL	J. R. SOLENBERGER, INC.	1625 BERRYVILLE PIKE	WINCHESTER	VA	22603-4815	540-667-1400
16682	TRUE VALUE RENTAL	TFS, INC.	3262 US ROUTE 5	DERBY	VT	05829-9677	802-766-2714
11871	TAYLOR RENTAL SALES & SERVICE	RENT IT, INC.	1448 ROUTE 7 S	MIDDLEBURY	VT	05753-8995	802-388-4281
16455	GRAND TRUE VALUE RENTAL	GRAND RENTAL, L.L.C.	1350 W WISCONSIN AVE	APPLETON	WI	54914-3262	920-968-1360
19028	GRAND RENTAL STATION	T. A. MOTORSPORTS, INC.	415 N RAPIDS ROAD	MANITOWOC	WI	54220-3409	920-682-8721
19428	GRAND RENTAL STATION	STICH CORP.	3849 ENTERPRISE DR	SHEBOYGAN	WI	53083-2069	920-208-8213

**EXHIBIT J**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**LIST OF FRANCHISEES WHO LEFT THE SYSTEM AS OF DECEMBER 31, 2021**  
**OR HAVE NOT COMMUNICATED WITH US**  
**WITHIN 10 WEEKS OF THE ISSUANCE DATE**



<b>Member Number</b>	<b>Store Name</b>	<b>Franchisee Entity Name</b>	<b>City</b>	<b>State</b>	<b>Telephone Number</b>
12250	B & C Rental	B and C Rental, Inc.	Bessemer	AL	205-424-5381
01625	Grand Rental Station	Becklin Corp.	Trinidad	CO	719-845-1000
03740*	Taylor Rental Center	Greenwich Hardware, Inc.	Greenwich	CT	203-622-1086
18063	Taylor Rental	Beaupre Motor Sales, Inc.	West Hartford	CT	860-233-2108
20062	Tri-Supply and Equipment	Tri-Supply and Equipment, Inc.	Dover	DE	302-697-0300
03773	Tri-Supply and Equipment	Tri-Supply and Equipment, Inc.	New Castle	DE	302-838-6333
12076	A's Rental	Advanced Leasing System, Inc.	Venice	FL	941-485-6775
13840	Grand Rental Station	Ipock Enterprises dba, A Partnership	Athens	GA	706-613-7368
19716	Ray Rents, Inc.	Ray Rents, Inc.	Columbus	GA	706-324-7368
13968	Lake Street Rental	Keriel, Inc	Mundelein	IL	847-949-0500
13337	Taylor Rental	G-T, Inc	Streamwood	IL	630-289-2550
13025	AAA Rent All	GRST, Inc.	Raleigh	NC	919-828-1101
12415	Taylor Rental	Breig Rentals Ltd.	Hauppauge	NY	631-435-1101
03895	Grand Rental Station	Austinburg Rental Station, Inc.	Austinburg	OH	440-275-1313
18232	Taylor Rental Center	Houston Enterprises, Inc.	Pittsburgh	PA	412-833-7300
15333	Taylor Rental	North Kingstown Rentals, Inc	North Kingstown	RI	401-295-0016
15147	Grand Rental Station of Seneca	Seigler Enterprises, Inc.	Seneca	SC	864-882-4112
18521	Grand Central, Inc.	Grand Central, Inc.	Norfolk	VA	757-333-4188

\* Store relocated from New York to Connecticut.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

**EXHIBIT K**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**RENTAL STORE DEVELOPMENT PROJECT AGREEMENT**

**RENTAL STORE DEVELOPMENT PROJECT AGREEMENT**

Agreement made as of \_\_\_\_\_ between,  
(date)

**TRUE VALUE SPECIALTY COMPANY, LLC**

AND

\_\_\_\_\_  
(Name of Member's Business)

\_\_\_\_\_  
(Store Number)

By \_\_\_\_\_  
(Name of Owner, Partner, or Officer and Title)

By \_\_\_\_\_  
(Name of Owner, Partner, or Officer and Title)

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

\_\_\_\_\_  
(City, State, Zip)

\_\_\_\_\_  
(Phone Number)

**Project Information:**

Estimated Start Date \_\_\_\_\_

Estimated Completion Date \_\_\_\_\_

Store Development Specialist \_\_\_\_\_

Rental Support Specialist \_\_\_\_\_

Development of a  ground-up  retrofit  expansion  relocation of the following programs (check one) at the above location of approximately \_\_\_\_\_sq. ft., consisting of \_\_\_\_\_ sq. ft. of showroom area and \_\_\_\_\_ sq. ft. of backroom area. This agreement includes project planning, consultation, data collection, customized layout and merchandise training. (Cross out services not required).

\_\_\_\_\_ **True Value Rental**

**COMPENSATION FOR SERVICES PROVIDED**

TRUE VALUE SPECIALTY COMPANY, LLC ("TVSC") will be compensated for the consultation services as defined in this agreement at the following rates:

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**Design Fee-\$250 (Includes the following)    \_\_ Owner's Initials**

- 1)     Concept Plan
- 2)     Fixture Plan
- 3)     Merchandise Plan
- 4)     Lighting Plan if necessary

The \$250 design fee must be paid at the time the Owner signs the Franchise Agreement.

**Additional Services Not Included in Design Fees**

Project Management Fee: \$3,750. Travel and expenses are included (one week maximum). Includes store set.

\_\_\_\_\_ **Owner's Initials**

This Agreement is valid for one year from the date of signing.

# **RENTAL STORE DEVELOPMENT PROJECT AGREEMENT**

## Terms and Conditions

### **PHASE I-PROJECT PLANNING**

Plan and control the project planning and provide a budget estimate and resources necessary to complete the project.

### **PHASE II-CONSULTATION**

Consult with Member to develop project objective and identify Marketing and Strategic opportunities with the Rental Support Specialist.

### **PHASE III-DATA COLLECTION**

Gather basic information to develop the plan, design, and departmentalization of the store.

### **PHASE IV-CONCEPT DEVELOPMENT**

- A. Show fixture location, circulation pattern, product adjacencies and interior design elements.
- B. Exterior design concept and sign locations.
- C. Interior design concept, specifications and source.
- D. Graphic design, Point-of-Sale information and department signs.

### **PHASE V-MERCHANDISE AND PLANOGRAM DEVELOPMENT**

Plan for all space requirements and placement of product on the shelf.

### **PHASE VI-TECHNICAL DOCUMENTATION**

Drawings, specifications manual and information necessary to carry out the project intention, floor, lighting and electrical outlet plans will be provided as needed.

### **PHASE VII-MEMBER RESPONSIBILITIES**

- A. Provide for any permits, architectural, plumbing or electrical contractor needs.
- B. Purchase all fixtures and design elements required for the project on a timely basis.
- C. Provide two people to work on the project full-time during installation and merchandising phases of the project  
(estimate 3 days to be scheduled by store development specialist).
- D. Acquire necessary financing/capital to finance project.
- E. Cooperate with TVSC and supply TVSC with all necessary information reasonably requested by TVSC which TVSC shall rely upon to perform its obligations under this Agreement.

## **ADMINISTRATION**

TVSC will use its experience, background in the industry, and its administrative talent to develop a customized Rental Store Development Program for Member's individual store. Completion of the project will provide Member with a new store image and marketing concept.

This Agreement takes effect upon its acceptance and execution by TVSC at 8600 Bryn Mawr Avenue, Chicago, Illinois 60631, and shall be deemed made and entered into in Chicago, Illinois and shall be enforced against either Member or TVSC, only in courts in Cook County or any Illinois county contiguous to Cook County, Illinois, and only be interpreted in accordance with the laws of Illinois. All other agreements between TVSC and Member are incorporated by reference. Termination of Member's Franchise Agreement with TVSC shall automatically terminate Member's rights, but not its obligations, under this Agreement.

TVSC, its parent, subsidiary and any related company shall not be liable to Member or any other third party, whether a claim be in tort, contract or otherwise for any amount in excess of the total amount paid by Member to TVSC under this Agreement. In no event shall TVSC, its parent, subsidiaries or any related company be liable for any special, consequential, indirect, exemplary, punitive, lost or similar damage, even if TVSC, its parent, subsidiaries or related companies have been apprised of the possibility thereof.

The provisions of the Agreement shall be binding upon and inure to the benefit of the parties hereto.

## **DISCLAIMER**

Member acknowledges and agrees that TVSC has not represented to Member that a "minimum", "guaranteed", or "certain" income can be expected or realized from the operation of the store upon completion of the project. Success depends, in part, on Member devoting dedicated personal efforts to the business and exercising good business judgment in dealings with customers, suppliers, and employees. Member also acknowledges that neither TVSC nor any of its employees or agents have represented that Member can expect to attain any specific sales, profits, or earnings, either as a result of the Rental Store Development Project or otherwise. All costs and budgets presented with this project are estimates. It is the Member's responsibility to confirm all costs with their contractors and vendors before starting the project. TVSC MAKES NO REPRESENTATIONS OR WARRANTIES EITHER EXPRESS OR IMPLIED REGARDING THE SERVICES TO BE PROVIDED UNDER THIS AGREEMENT.

\_\_\_\_\_  
(Name of Owner's Business)

By: \_\_\_\_\_  
(Name of Owner, Partner, or Officer and Title)

By: \_\_\_\_\_  
(Name of Owner, Partner, or Officer and Title)

Business Premises:

\_\_\_\_\_  
\_\_\_\_\_

**TRUE VALUE SPECIALTY COMPANY, LLC**

By: \_\_\_\_\_  
(Director, MRO/Rental)

**EXHIBIT L**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**

**FRANCHISEE DISCLOSURE QUESTIONNAIRE**



**FRANCHISEE DISCLOSURE QUESTIONNAIRE**

As you know, True Value Specialty Company, LLC and you are preparing to enter into a Franchise Agreement for the operation of a True Value Rental location. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that True Value Specialty Company, LLC has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Do you understand that the success or failure of your business will depend in large part upon your ability as an independent business person?

Yes \_\_\_ No \_\_\_

2. Has any employee or other person speaking on behalf of True Value Specialty Company, LLC made any representation or prediction concerning the revenue, profitability or operating costs of any True Value Rental store?

Yes \_\_\_ No \_\_\_

3. If you answered "No" to question (1.) or "Yes" to question (2.), 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 "Yes" to question (1.) and "No" to question (2.), please leave the following lines blank.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

You understand that your answers are important to us and that we will rely on them.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

\_\_\_\_\_  
FRANCHISEE/APPLICANT

\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_, 20\_\_

**EXHIBIT M**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**RECEIPT OF FRANCHISE RELATED DOCUMENTS**

**RECEIPT OF FRANCHISE RELATED DOCUMENTS**

The undersigned, personally and/or as an officer, manager or partner of the proposed Franchisee, does hereby acknowledge receipt of the following documents, in form for execution, relating to the franchise of True Value Specialty Company, LLC:

- (1) Franchise Agreement
- (2) Rider to the Franchise Agreement for the State of \_\_\_\_\_
- (3) Personal Guaranty
- (4) Rental Store Development Project Agreement
- (5) Franchise Disclosure Questionnaire
- (6) Other (specify): \_\_\_\_\_

(Proposed Franchisee must initial the box adjacent to the applicable document.)

I further acknowledge my understanding that it is my responsibility, individually and/or as an officer, manager or partner of the proposed Franchisee, to review all of these documents so that I am fully familiar with the transaction they contemplate before signing them.

DATED: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_ individually

and/or as an officer, manager or partner of

\_\_\_\_\_  
a (\_\_\_\_\_ corporation)

a (\_\_\_\_\_ limited liability company)

(\_\_\_\_\_ partnership)

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

**EXHIBIT N**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**STATE SPECIFIC ADDENDA**

**ADDITIONAL DISCLOSURES FOR THE  
MULTISTATE FRANCHISE DISCLOSURE DOCUMENT OF  
TRUE VALUE SPECIALTY COMPANY, LLC**

The following are additional disclosures for the multistate Franchise Disclosure Document of TRUE VALUE SPECIALTY COMPANY, LLC required by various state franchise laws and agencies. A particular provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the state franchise registration and disclosure law indicated are met independently without reference to these additional disclosures.

**CALIFORNIA**

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

2. OUR WEBSITE IS WWW.TRUEVALUERENTAL.COM. THIS WEBSITE HAS BEEN REVIEWED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF EITHER WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

3. Section 31125 of the Franchise Investment Law requires us to give to you a disclosure document approved by the Commissioner of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement. The franchisor has or will comply with all of the requirements under California Corporations Code, Section 31109.1, with respect to negotiated sales.

4. The page entitled “**Special Risks to Consider About *This Franchise***” is amended as follows:

**Special Risk(s) to Consider About *This Franchise***

**Spousal liability.** Your spouse will be 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 your and your spouse’s marital and personal assets, perhaps including your house, at risk if your franchise fails.

5. In California the highest interest rate permitted by law is 10%.

6. Neither the Franchisor nor any person listed in Item 2 of this Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

7. The following paragraphs are added at the end of Item 17 of the Franchise Disclosure Document:

California Law Regarding Termination and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, transfer or nonrenewal of the franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

Termination Upon Bankruptcy. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. seq.).

Applicable Law. The Franchise Agreement requires application of the laws of the State of Illinois with certain exceptions. This provision may not be enforceable under California law.

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

## HAWAII

1. True Value Specialty Company, LLC's Franchise Disclosure Document is currently registered in the states of: California, Hawaii, Illinois, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.
2. The states in which True Value Specialty Company, LLC's Franchise Disclosure Document is or will be shortly on file: California, Hawaii, Illinois, Indiana, Minnesota, New York, North Dakota, Rhode Island, Virginia and Wisconsin.
3. No state has refused, by order or otherwise, to register the franchise which is the subject of True Value Specialty Company, LLC's Franchise Disclosure Document.
4. No state has revoked or suspended the right to offer the franchise which is the subject of True Value Specialty Company, LLC's Franchise Disclosure Document.
5. True Value Specialty Company, LLC has not withdrawn the proposed registration of the Franchise Disclosure Document in any state.

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

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

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

The franchisor's registered agent in the state authorized to receive service of process is:

Commissioner of Securities of Department of Commerce and Consumer Affairs  
335 Merchant Street  
Honolulu, Hawaii 96813

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

## MARYLAND

1. Item 11 is amended to provide the following as it relates to Brand Fund Contributions:

“We will provide you an annual statement of collections and expenditures of Brand Fund Contributions upon your request, which must be made within 30 days of the end of the year for which you are requesting the information.”

2. The “Summary” sections in line items (c) and (m), entitled **Requirements for you to renew or extend and conditions for Franchisor approval of transfer**, in the Item 17 chart are amended to add the following:

The release will not apply to any claims which arise under the Maryland Franchise Registration and Disclosure Law.

3. The “Summary” sections in line items (v) and (w), entitled **Choice of forum** and **Choice of law**, in the Item 17 chart are amended to add the following:

The above will not apply to any claims that arise under the Maryland Franchise Registration and Disclosure Law.

4. Item 17 of the Franchise Disclosure Document and the Franchise Agreement are amended to add the following:

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

Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).



## MINNESOTA

1. The following language is added as the last paragraph in Item 13, entitled **TRADEMARKS**:

Provided you have complied with all provisions of the Franchise Agreement applicable to the marks, we will protect your right to use the marks and will defend you in any claims, suits or demands regarding your use of the marks, to the extent required by Minn. Stat. Sec. 80C.12, Subd. 9(g).

2. **Renewal, Termination, Transfer and Dispute Resolution**. The following is added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. §80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure), 180 days' notice for non-renewal and that consent to the transfer of the franchise not be unreasonably withheld.

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us 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 Franchise Agreement shall abrogate or reduce any of your rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Those provisions also provide that no condition, stipulation or provision in the Franchise Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

3. We are prohibited from requiring you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

## NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of 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:

**Item 4**

**BANKRUPTCY**

Neither True Value Specialty Company, LLC, nor any of its affiliates, nor any of its predecessors, officers or general partners has during the 10 year period immediately preceding 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 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 the officer or general partner of ours held such position in such company or partnership.

4. Item 5 is amended by the addition of the following sentence: The initial franchise fee covers the costs of the assistance we provide in the opening and operating of the Store.

5. The “Summary” section of Item 17(c), **Requirements for franchisee to renew or extend**, and Item 17(m), **Conditions for franchisor approval of transfer**, are amended by adding the following:

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 687(4) and 687(5) be satisfied.

6. The “Summary” section of Item 17(d), Termination by franchisee is amended by adding the following:

You may terminate the agreement on any grounds available by law.

7. The “Summary” section of Item 17(j), **Assignment of contract by franchisor**, is amended by adding the following:

However, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Agreement.

8. The “Summary” section of Item 17(v), **Choice of forum**, and Item 17(w), **Choice of law**, is amended by adding the following:

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.

**FRANCHISOR REPRESENTS THAT IT HAS NOT KNOWINGLY OMITTED FROM THE PROSPECTUS ANY MATERIAL FACT, NOR DOES THE PROSPECTUS CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.**

## NORTH DAKOTA

1. THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES, PURSUANT TO SECTION 51-19-09 (I) OF N.D.C.C.:

A. Restrictive Covenants: Franchise Disclosure Documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

C. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Franchise agreements which specify that they are to be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damage.

H. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

I. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

J. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

2. The "Summary" section in Item 17(c), **Requirements for franchisee to renew or extend**, is amended to add the following language:

Any release required as a condition of renewal will not apply to the extent prohibited by the North Dakota Franchise Investment Law, as amended.

3. The "Summary" section in Item 17(v), entitled **Choice of forum**, is deleted in its entirety and replaced with the following language:

However, to the extent required by the North Dakota Franchise Investment Law, as amended, you may sue or be sued in North Dakota.

4. The “Summary” section in Item 17(w), entitled **Choice of law**, is deleted in its entirety and replaced with the following language:

Illinois law generally applies; however, to the extent required by the North Dakota Franchise Investment Law, as amended, North Dakota Law applies.

#### **RHODE ISLAND**

1. Item 17(v), entitled **Choice of forum**, and Item 17(w), entitled **Choice of law**, of the Franchise Disclosure Document are amended by adding the following language:

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

#### **VIRGINIA**

1. The page entitled *Special Risks to Consider About this Franchise* is amended as follows:

#### **Special Risk(s) to Consider About *This* Franchise**

**Turnover Rate.** During the last 3 years, a large number of franchised outlets (52) were terminated, not renewed, re-acquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

The following paragraph is added at the end of Item 17:

Pursuant to 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 does 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.

## WASHINGTON

1. The state of Washington has a statute, RCW 19.100.180 (the “Act”), which may supersede the Franchise Agreement and your relationship with us, including the areas of termination and renewal of your franchise. If any of the provisions in this franchise disclosure document or Franchise Agreement are inconsistent with the relationship provisions or any other requirements of the Act, the provisions of the Act will prevail over the inconsistent terms of the franchise disclosure document or Franchise Agreement. There may also be court decisions which may supersede the Franchise Agreement and your relationship with us, including the areas of termination and renewal of your franchise.

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

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

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

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

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

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

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

**EXHIBIT O**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**

TRUE VALUE COMPANY, L.L.C. TERMS AND CONDITIONS OF SALE



**TRUE VALUE COMPANY, L.L.C.**

**TERMS AND CONDITIONS OF SALE**

True Value Company, L.L.C. ("Seller") is a wholesale distributor selling various products ("Products"). You ("Customer") desire to purchase Products from Seller. Customer and Seller agree that the following Terms and Conditions of Sale ("Terms") shall apply to Customer's purchase of Products from Seller.

**COMPLETE TERMS**

Sales by Seller are governed by these Terms. Seller objects to any different or additional terms. Seller reserves the right to change these Terms any time upon general notice on Seller's website that the Terms have changed and Customer's continued purchases from Seller constitutes acceptance of the Terms as changed. Seller's Policies and Procedures Manuals (as amended from time to time by Seller) ("Manuals") are incorporated herein and shall constitute a part of these Terms.

**PRICE AND PAYMENT**

The price to be paid by Customer to Seller shall be as set forth on Seller's statements. Prices are subject to change. Payment terms shall be as set forth on Seller's statements to Customer.

Customer shall pay in full on the date due all invoices on accounts receivable statements and any other financial obligations to Seller or its subsidiaries. Past-due balances are automatically subject to a finance service charge of 0.75% per statement, 1.5% per month (18% annually) and must be paid when due. In the event that collection efforts are necessary, Seller shall be entitled to the recovery of all costs and expenses, including attorneys' fees. Seller does not recognize bank holidays as a means to avoid late payment or late payment finance service charges. Seller will not renegotiate the rate, discount service charges assessed, or accept non-payment of legitimate service charges.

**VOLUME REBATE**

If Customer has purchased Products from Seller during the calendar year, Customer may be eligible for a volume rebate on qualifying purchases from Seller's regional distribution centers ("Net Handled Purchases") excluding opening stock orders (OSOs) and direct ship merchandise. Volume rebates will be calculated and paid for each store location and purchases may not be aggregated between or among stores. Volume rebates will be earned as set forth in the Manuals.

**LICENSE OF MARKS**

Seller shall permit use of Seller-owned servicemarks, trademarks, trade names or brand names under the Seller's brand standards (as amended from time to time by the Seller) ("Brand Standards"). If Customer elects to use a Designated Mark, Customer shall pay a monthly brand fee or program fee as set forth in the Brand Standards.



## **SELLER INFORMATION**

All information and material furnished or made available to Customer, including without limitation, bulletins, price lists, illustrated catalogs, merchandising and pricing options, computer software, electronic data and the Manuals are confidential property of Seller, developed and promoted for the benefit of the Seller's customers, and Customer agrees not to divulge or display any of the information contained in this material to anyone not affiliated with Seller without obtaining the prior written approval of Seller, and not to use such information in a way which is detrimental to Seller or its customers. Customer shall use such information and material only in connection with Customer's purchases from Seller and for the purpose of promoting Customer's business with Customer's customers. Customer acknowledges and confirms that any dissemination or other disclosure of such information and material for any other purpose, or to anyone not affiliated with Seller, shall cause immediate and irreparable harm to Seller. All such information and material shall be immediately returned to Seller upon termination of these Terms. Customer's obligations in this section will survive the termination of these Terms.

## **ACKNOWLEDGEMENTS**

Customer acknowledges and agrees that (a) Seller has not granted any protected or exclusive territorial or geographical rights to Customer and Seller may, at its sole discretion, accept any other Customer at any location without limitation, (b) Customer may receive different services, charges or freight rates based on the amount of merchandise purchased by Customer, (c) these Terms do not create a fiduciary relationship between Customer and Seller, and that Customer and Seller are and will be independent contractors, and that nothing in these Terms is intended to make either Seller or Customer a general or special agent, joint venturer, partner, or employee of the other for any purpose, (d) it shall identify itself conspicuously in all dealings with customers, suppliers, public officials, store personnel, and others as the independent owner of Customer's store and to place notices of independent ownership on forms, business cards, stationery, advertising and other materials, (e) Customer may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of Seller, (f) Seller will not be obligated to Customer for any damages to any person or property directly or indirectly arising out of Customer's store's operation or the business conducted by Customer under these Terms, and (g) Customer shall honor any warranties or guarantees made to consumers that are placed on Products containing Seller owned Marks.

Seller does not warrant that products ordered by Customer comply with Customer's country, state, county, municipality or other local laws, rules, regulations or regulatory requirements. Customer is fully responsible for ensuring that products ordered from Seller can be legally sold in Customer's retail locations. All obligations related to shipping products into international locations shall be the sole responsibility of the Customer. Should a product be found to be in violation of any country, state, county, municipality or other local law, rule, or regulation, Customers selling in international locations shall defend and indemnify Seller and the manufacturer/vendor/third party sales representatives with respect to any regulatory or liability actions brought related to the product.

## **TERMINATION/DEFAULT**

These Terms shall continue in force from year to year unless terminated as set forth in the following paragraphs.

Customer will be in default if (a) Customer fails to pay Seller any amount when due; (b) Customer fails for a period of five (5) days after receiving written notice from Seller to fulfill or perform any provisions of these Terms (other than the prior provision relating to due date of payments); (c) Customer becomes insolvent or bankrupt, or a petition therefore is filed voluntarily or involuntarily and not dismissed within thirty (30) days from filing; (d) Customer makes a general assignment for the benefit of its creditors, or a receiver is appointed, or a substantial part of Customer's assets are attached or seized under legal process and not released within thirty days thereafter or (e) Customer fails to obtain written consent of Seller to an assignment of these Terms.

Upon Customer's default, Seller may, at its option, without prejudice to any of its other rights and remedies, and without demand for payments past due, (a) make shipments subject to cash in advance; (b) terminate these Terms and declare immediately due and payable the obligations of Customer for products previously shipped; (c) demand reclamation; or (d) suspend any further deliveries until the default is corrected, without releasing Customer from its obligations herein. In any event, Customer shall remain liable for all loss and damage sustained by Seller because of Customer's default.

In addition, either Party may terminate these Terms upon thirty (30) days' notice. Upon notice of termination by Customer, Seller reserves the right to immediately restrict or limit Customer's ability to purchase product from Seller.

**LIMITATION OF LIABILITY**

**SELLER MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, WRITTEN OR ORAL, WITH RESPECT TO THE PRODUCTS SOLD BY SELLER, INCLUDING WITHOUT LIMITATION, ANY WARRANTY AS TO DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY OF MATERIALS OR WORKMANSHIP, MERCHANTABILITY, FITNESS FOR ANY PURPOSE, USE OR OPERATION, SAFETY, PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENT, OR TITLE. IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR ANY OTHER THIRD PARTY FOR THE PAYMENT OF ANY CONSEQUENTIAL, INDIRECT, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATIONS, LOST PROFIT.**

**SELLER HAS NOT REPRESENTED TO CUSTOMER THAT A “MINIMUM”, “GUARANTEED”, OR “CERTAIN” INCOME CAN BE EXPECTED OR REALIZED. SUCCESS DEPENDS, IN PART, ON CUSTOMER DEVOTING DEDICATED PERSONAL EFFORTS TO THE BUSINESS AND EXERCISING GOOD BUSINESS JUDGMENT IN DEALINGS WITH CUSTOMERS, SUPPLIERS, AND EMPLOYEES. CUSTOMER ALSO ACKNOWLEDGES THAT NEITHER SELLER NOR ANY OF ITS EMPLOYEES OR AGENTS HAS REPRESENTED THAT CUSTOMER CAN EXPECT TO ATTAIN ANY SPECIFIC SALES, PROFITS, OR EARNINGS. IF SELLER HAS PROVIDED ESTIMATES TO CUSTOMER, SUCH ESTIMATES ARE FOR INFORMATIONAL PURPOSES ONLY AND DO NOT REPRESENT ANY GUARANTEE OF PERFORMANCE BY SELLER TO CUSTOMER. SELLER MAKES NO REPRESENTATIONS OR WARRANTIES EITHER EXPRESS OR IMPLIED REGARDING THE PERFORMANCE OF CUSTOMER’S BUSINESS.**

**GOVERNING LAW; JURISDICTION**

Any dispute, claim or controversy arising out of these Terms will be governed by Illinois law, without regard to choice of law rules. The parties hereby agree and consent to the exclusive jurisdiction of the state and federal courts located in Cook County, Illinois or in any other Illinois county contiguous to Cook County, Illinois or in the county in Illinois in which the Seller’s headquarters are then located.

**Section 2. ASSIGNMENT**

These Terms are not assignable or transferable by Customer without the written consent of Seller but Seller shall have the right to assign without Customer’s consent.

IN WITNESS WHEREOF, the parties have executed these Terms as of the dates set forth below.

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

Company: \_\_\_\_\_

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

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

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

Select a Designated Mark subject to the monthly brand fee or program fee.

True Value \_\_\_\_\_

Home & Garden Showplace \_\_\_\_\_

Induserve \_\_\_\_\_

Rental \_\_\_\_\_

### 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:

California	
Hawaii	
Illinois	
Indiana	
Minnesota	
New York	
North Dakota	
Rhode Island	
Virginia	
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**RECEIPT**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If True Value Specialty Company, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is True Value Specialty Company, LLC, located at 8600 W. Bryn Mawr Ave., Chicago, IL 60631. Its telephone number is 773-695-5000.

The franchise seller is \_\_\_\_\_, located at 8600 W. Bryn Mawr Ave., Chicago, IL 60631. His/her telephone number is 773-695-5000.

The issuance date is March 28, 2022. The state effective dates are on an exhibit following the State Cover Page.

True Value Specialty Company, LLC authorizes the respective parties identified on Exhibit B to receive service of process for it in the particular state.

I have received a disclosure document dated March 28, 2022 that included the following Exhibits:

- Ex. A - List of State Authorities
- Ex. B - List of Agents for Service of Process
- Ex. C - Personal Guaranty
- Ex. D - Franchise Agreement
- Ex. E - State Specific Franchise Agreement Riders
- Ex. F - General Release
- Ex. G - Financial Statements
- Ex. H - True Value Rental Brand Standards Manual Table of Contents
- Ex. I - List of Franchisees
- Ex. J - List of Franchisees Who Left the System or Have Not Communicated
- Ex. K - Rental Store Development Project Agreement
- Ex. L - Franchisee Disclosure Questionnaire
- Ex. M - Receipt of Franchise Related Documents
- Ex. N - State Specific Addenda
- Ex. O - True Value Company, L.L.C. Terms and Conditions of Sale

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

\_\_\_\_\_  
Prospective Franchisee Signature

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

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

\_\_\_\_\_  
Individually and as \_\_\_\_\_  
of \_\_\_\_\_

**Please insert the name, address and telephone number of the franchise seller in the space above.  
(Your Copy. Sign, date and retain.)**

**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 True Value Specialty Company, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

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- Ex. M - Receipt of Franchise Related Documents
- Ex. N - State Specific Addenda
- Ex. O - True Value Company, L.L.C. Terms and Conditions of Sale

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

\_\_\_\_\_  
Prospective Franchisee Signature

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

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

\_\_\_\_\_  
Individually and as \_\_\_\_\_

of \_\_\_\_\_

**Please insert the name, address and telephone number of the franchise seller in the space above.  
(Sign, Date and Return to Us)**