



FRANCHISE DISCLOSURE DOCUMENT

GOLIATHTECH INC.

A CANADIAN CORPORATION

GoliathTech™®

175B Peladeau
Magog, Quebec J1X5G9
Canada
819-843-4777
Toll Free: 855-743-4777
www.goliathtechpiles.com

You will operate a business selling and installing helical piles (screw piles). You will offer, sell and install foundation stabilization products for residential and commercial construction and provide the services and products operating under the Marks and using the System.

The total investment necessary to begin operation of a GoliathTech franchised business is from \$72,900 USD to \$176,000 USD. This includes an initial fee of \$38,000 USD that must be paid to the franchisor.

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

You may wish to receive your disclosure document in another format that is more convenient for You. To discuss the availability of disclosures in different formats, contact the Franchise Administration Department at 175B Peladeau, Magog, Quebec, J1X5G9, Canada, or info@goliathtechpiles.com.

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

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

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

ISSUANCE DATE: ~~April 30, 2019~~ April 24, 2020

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:

<u>QUESTION</u>	<u>WHERE TO FIND INFORMATION</u>
<u>How much can I earn?</u>	<u>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 Exhibit [C-].</u>
<u>How much will I need to invest?</u>	<u>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.</u>
<u>Does the franchisor have the financial ability to provide support to my business?</u>	<u>Item 21 or Exhibit [A-] includes financial statements. Review these statements carefully.</u>
<u>Is the franchise system stable, growing, or shrinking?</u>	<u>Item 20 summarizes the recent history of the number of company-owned and franchised outlets.</u>
<u>Will my business be the only GOLIATHTECH business in my area?</u>	<u>Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.</u>
<u>Does the franchisor have a troubled legal history?</u>	<u>Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.</u>
<u>What’s it like to be a GOLIATHTECH franchisee?</u>	<u>Item 20 or Exhibit [C-] lists current and former franchisees. You can contact them to ask about their experiences.</u>
<u>What else should I know?</u>	<u>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.</u>

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 [E-].

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

Special Risks to Consider About *This Franchise*

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

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

STATE COVER PAGE

~~Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.~~

~~Call the state administrator listed in Exhibit E for information about the franchisor, or about franchising in your state.~~

~~MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.~~

~~Please consider the following RISK FACTORS before you buy this franchise:~~

~~1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN THE PROVINCE OF QUEBEC, CANADA. ARBITRATION IN THE PROVINCE OF QUEBEC, CANADA MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN THE PROVINCE OF QUEBEC, CANADA THAN IN YOUR STATE. ANY DISPUTES NOT SUBJECT TO ARBITRATION MUST BE RESOLVED BY LITIGATION IN THE PROVINCE OF QUEBEC, CANADA. IT MAY COST YOU MORE TO LITIGATE WITH US IN THE PROVINCE OF QUEBEC, CANADA THAN IN YOUR STATE.~~

~~2. THE FRANCHISE AGREEMENT STATES THAT THE LAW OF THE PROVINCE OF QUEBEC, CANADA GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.~~

~~3. YOU MUST PURCHASE ALL OR NEARLY ALL OF THE INVENTORY OR SUPPLIES THAT ARE NECESSARY TO OPERATE YOUR BUSINESS FROM THE FRANCHISOR, ITS AFFILIATES, OR SUPPLIERS THAT THE FRANCHISOR DESIGNATES, AT PRICES THE FRANCHISOR OR THEY SET. THESE PRICES MAY BE HIGHER THAN PRICES YOU COULD OBTAIN ELSEWHERE FOR THE SAME OR SIMILAR GOODS. THIS MAY REDUCE THE ANTICIPATED PROFIT OF YOUR FRANCHISE BUSINESS.~~

~~4. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$72,900 to \$176,000. THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF JANUARY 31, 2019, WHICH IS \$(1,827,470).~~

~~5. THE AUDITOR'S REPORT ON THE FRANCHISOR'S FINANCIAL STATEMENTS EXPRESSES SUBSTANTIAL DOUBT ABOUT THE FRANCHISOR'S ABILITY TO REMAIN IN BUSINESS. THIS MEANS THAT THE FRANCHISOR MAY NOT HAVE THE FINANCIAL RESOURCES TO PROVIDE SERVICES OR SUPPORT TO YOU.~~

~~6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.~~

~~Effective Date: See State Effective Dates Page~~

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered or on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STATE	EFFECTIVE DATE
California	5/21/2019
Florida (Exemption)	11/22/2019
Hawaii	7/11/2019
Illinois	5/23/2019
Indiana	6/23/2019
Kentucky (Exemption)	10/23/2013
Maryland	6/10/2019
Michigan	10/22/2019
Minnesota	7/29/2019
Nebraska (Exemption)	10/23/2013
New York	11/18/2019
North Dakota	6/7/2019
Rhode Island	5/5/2019
South Dakota	5/23/2019
Texas (Exemption)	10/25/2013
Utah (Exemption)	4/23/2019
Washington	7/15/2019
Wisconsin	5/16/2019

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EXHIBITS:

- A - Financial Statements
- B - Franchise Agreement
- C - List of Current and Former Licensees
- D - Operations Manuals - Table of Contents
- E - List of State Administrators and Agents for Service of Process
- F - State Law Addendum
- G - Application for Franchise
- H - Statement of Prospective Franchisee
- I - Receipts for Franchise Disclosure Document

Item 1. The Franchisor, and Any Parents, Predecessors and Affiliates

Definitions.

To simplify this Franchise Disclosure Document, "We" means **GoliathTech Inc.**, d.b.a. **GoliathTech™**, the franchisor. Sometimes "Our" or "Us" refers to **GoliathTech**, when appropriate. "You" means the person who buys the franchise. If You are a legal entity, "You" includes all owners of any equity interest in the entity. "Licensed Business," means the business You will operate under the Franchise Agreement, selling and installing helical piles (screw piles), operating under Our Marks and following Our System. [All referenced to "Dollars" in this disclosure document refer to United States Dollars.](#)

Our Parents, Predecessors and Affiliates

Our predecessor is Les pieux Goliath, a Quebec, Canada corporation, formed on June 15, 2004. Les pieux Goliath was a manufacturer of helical piles. Our predecessor has not offered franchises in this or in any other line of business. The principal address of Our predecessor is 54 Rue Johnson, Sherbrooke, QC, J1J 1T6. We have no affiliates that offer franchises in this or in any other business or provide products or services to Our franchisees. We have no parent.

Our Names.

We do business under our corporate name, GoliathTech Inc. dba GoliathTech. We do not do business under any other name.

Our Address and Agent for Service.

Our principal mailing address is 175B Peladeau, Magog, Quebec, J1X 5G9, Canada. Our principal business address is 175B Peladeau, Magog, Quebec, J1X 5G9, Canada, and Toll Free 855-743-4777.

Our Agent for Service of Process in Magog, Quebec is Julian Reusing. Refer to Exhibit E, List of State Administrators and Agents for Service of Process, for information on the Agent for Service of Process in states where we may be registered.

Our Business Form.

GoliathTech Inc. was incorporated on March 22, 2013 as a Quebec, Canada corporation. GoliathTech Inc. acquired all of the assets of Les pieux Goliath, a Canadian corporation in March, 2013.

Our Business and Franchises Offered.

Under the franchise We offer, You will operate a business selling and installing helical piles, manufactured by Us. You will provide these services and products operating under the Marks and using the System. You may operate the franchised business as an add-on to Your current business, or You may operate the franchised business as a stand-alone. You may only offer Our helical piles and support system and no other competing products or support systems in your franchised business.

The market for your products and services is the commercial and residential construction industry and is well established and very competitive. Your Licensed Business may operate in close proximity to major competitors, which include franchised and non-franchised businesses. Some competitors will offer many goods and services that are the same as or similar to those You offer. The business is generally not seasonal, however in certain colder geographic areas, sales may be negatively impacted during cold weather conditions.

Franchisees will market and operate their businesses under our name, "GoliathTech". Franchisees will utilize our approved methods of operation, which are spelled out in our Operations Manual.

You, the prospective purchaser, must complete an application, a written personality profile assessment and receive our Franchise Disclosure Document ("FDD"). The application and the receipt for the FDD must be signed by You and, if applicable, Your spouse or business partner.

Prior Business Experience

GoliathTech, Inc. is the sole manufacturer of the helical piles which Our franchisees will sell and install to its customers. We have no business activities other than the offering of and support of GoliathTech franchised businesses, manufacturing helical piles and providing foundation and stabilization products and operational support to GoliathTech franchisees. We have not conducted any other business activities or offered franchises other than those offered in this disclosure document.

Laws Affecting Your Licensed Business

You must comply with all laws and regulations that apply to business in general. You will need to obtain, as required by local or state law and regulations, the necessary licenses from the proper licensing agencies. We are not aware of any other laws or regulations that specifically apply to the Franchised Business. You should investigate these laws and regulations before you purchase a franchise. You are solely responsible for complying with all laws and regulations that may impact the operation of the Licensed Business.

Item 2. Business Experience

President & CEO - Julian Reusing

GoliathTech Inc.

April 2013 to present

Magog, Quebec

Memory Experts International

President, North America

April 1994 – April 2012

Montreal, Canada

MXI Security

President, North America

January 2002 – June 2011

Montreal, Canada

Item 3. Litigation

No litigation is required to be disclosed in this Item.

Item 4. Bankruptcy

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

Item 5. Initial Fees

Initial Fee.

The Initial Fee for the GoliathTech franchise is \$38,000USD. The Initial Fee for the second and subsequent territories purchased is \$28,500 each which includes the initial equipment package identified in Item 7. The Initial Fee for a second and subsequent territories without equipment is \$18,500. The Initial Franchise Fee is uniform. If you wish to send more than 5 people to Our Initial Training Program, You must pay a training fee of \$500 per person per day for each additional attendee.

Payment of Initial Fee.

The initial franchise fee is payable in full, in cash, upon signing the Agreement which will be no sooner than seven days after We approve Your application.

Refund of Initial Fee.

The initial franchise fee is nonrefundable under any circumstances.

Item 6. Other Fees

Type of fee	Amount	Due Date	Remarks
Royalty Fee¹	\$0.00	n/a	There is no Royalty Fee.
Marketing Fee¹ See Note A	3% of Gross Revenues or 6% of the price of Products <u>You purchased from Us. The Marketing Fee may be increased to 4% upon 30 days prior written notice.</u>	Monthly	Gross Revenues <u>Product purchases</u> includes the full price of all goods and services You sell, whether or not You have received cash or other consideration. <u>Products ordered by manufactured home installers as part of the MHI Program are not included in Product purchases for purposes of the Marketing Fee. The only thing</u> Also excludes not included in <u>from</u> Gross Revenues is taxes or fees You are required to collect on behalf of the government. Gross Revenues are calculated at the time You sell the goods or services, without regard to when You receive or expect to receive payment.
Local Marketing	3% of Gross Revenues	Monthly	You must spend 3% of Gross Revenues on local marketing, in addition to the Marketing Fee.
Transfer Fee¹	20% of the then-current Initial Fee	Before completing transfer	Payable only if You sell Your franchise or any part of Your business. Fee is \$500 if You transfer to a corporation or other entity with the identical ownership and control.
Expansion Fee¹	75% of the then-current Initial Fee	Upon signing of an addendum granting this expansion Territory to Franchisee	Expansion Fee includes some equipment necessary to run Your Business and Initial Training of up to 3 people.

Type of fee	Amount	Due Date	Remarks
Audit (3% or more under reporting) ¹	1.5% per month interest on amount of underpayment plus the cost of the audit plus the amount of the underpayment	Immediately upon billing	Payable only if an audit reveals that You have under reported Gross Revenues by 3 percent or more.
Renewal ¹	25% of the then-current Initial Fee	Before consummating Renewal	
Additional Training ¹ See Note B	\$500 per group per day; if we travel to your location you must also pay the expenses of our trainers. You are solely responsible for all compensation, benefits and travel-related expenses for Yourself or any employees.	In advance of the training program(s)	Your Manager and up to four employees must complete the initial training (cost included in the Initial Fee for first three persons trained) and certain additional training at Your cost. If You obtain a new or replacement Manager, You will be responsible for the cost of initial training for that person after We have trained three people for You.

1. These fees are uniformly imposed by and are payable to Us. All fees are non-refundable and are uniformly imposed.

2. All references to "Dollars" in this Disclosure Document means U.S. Dollars.

Notes Regarding Other Fees:

Note A. Marketing Fee.

You will pay a monthly Fee. We may require You to pay Marketing Fees by check, pre-authorized check, electronic funds transfer or similar mechanism. Marketing Fees are in addition to Your local marketing obligation. We may, upon notice, require You to pay Your Marketing Fees on a different periodic basis. [Franchisee may elect which Marketing Fee payment option it chooses at the time of the signing of the franchise Agreement.](#)

Note B. Additional Training Expense.

Your Manager and up to four employees must complete the initial training (cost included in the Initial Fee for the first five persons trained). In all cases, You are solely responsible for all salaries, benefits, and travel-related expenses for trainees.

We may require You and/or Your Manager(s) to attend additional free training at a location We determine. You are solely responsible for all salaries, benefits and travel-related expenses of trainees.

Upon your request and subject to the availability of our personnel we may send trainers to Your site for additional training. You will be responsible for all travel-related expenses of the trainer. The fee shall be \$500 per day per group trained.

We may provide or make available training materials and equipment for You or Your employees and may charge a fee which will not exceed Our costs of production. All training materials are proprietary to us and may contain our Trade Secrets. You must require any of Your employees to successfully complete any training program(s) if We designate them as mandatory.

Item 7. Estimated Initial Investment

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Fee (Note A)	\$38,000 - \$38,000	Lump Sum	No sooner than 7 days after We approve application.	GoliathTech Inc.
Travel & Living Expenses While Attending Initial Training	\$3,000 - \$5,000	As Incurred	Before, During & After Training	Vendors, Airlines, Hotels, Car Rental Companies, etc.
Real Estate Rental & Deposits (3 months)	\$100- \$3,000	As Incurred	As Arranged	Vendors, Utility Companies
Equipment & Product Inventory (Note B)	\$20,300- \$66,500	As Incurred	As Arranged	Vendors, Leasing Companies or Lender, GoliathTech, Inc.
Vehicle (Note C)	\$0 - \$45,000	As Arranged	As Arranged	Vendor, Leasing Company or Lender
Computer & Software	\$2,000 - \$2,500	As Arranged	As Arranged	GoliathTech Inc., Vendors, Leasing Companies or Lender
Advertising (3 months) (Note D)	\$500 - \$1,000	As Arranged; See Item 6.	As Arranged; See Item 6.	GoliathTech Inc., Advertising Media Vendors
Professional Fees (Note E)	\$1,000 - \$1,500	As Incurred	As Incurred	Attorney & Accountant
Miscellaneous Opening Costs (Note F)	\$3,000 - \$3,500	As Incurred	As Incurred	Vendors, Suppliers, Utilities, Tradesmen, Deposits etc.

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Additional Funds (3 months) (Note G)	\$5,000 - \$10,000	As Incurred	As Incurred	Employees, Vendors, Utilities, Taxing Agencies, Etc.
Total	\$72,900 - \$176,000			

Notes Regarding Initial Investment:

Note A: Initial Fee.

Payment of the franchise fee is payable in full, in cash, upon signing the Agreement which will be no sooner than seven days after We approve Your application.

Note B: Equipment.

We are the sole source of supply for the piles, the drills to install the piles and all other products on Our product list. The cost of equipment could vary widely depending primarily upon Your circumstances. Some new franchisees will have existing businesses and will already have some of the equipment they will need. This may or may not be Your situation. However, even if You have an existing GoliathTech business that is fully equipped, You may need additional or different equipment if You are expanding Your operations or to comply with Our standards. There are factors beyond Our control that could cause You to invest more in equipment. The equipment required to begin Your GoliathTech franchised business will include a trailer, excavator, ladders and telescoping ceiling supports. We will supply to You as part of the Initial Franchise Fee, the following equipment:

- 1x Hydraulic drill
- 1x Hydraulic Drill Mounting Fixture (special unique adaptor designed specifically to fit the model of mini excavator the franchisee is using)
- ~~4x Hex Shaft Drill Bits (and 4 locking pins)~~
- 8x Drill pins (2 of each size)
- 1x Hydraulic Pressure Gauge
- 1x Hydraulic Hoses for Pressure Gauge
- 1x Pile Top Cutter (to cut pile top off when necessary)
- 1x Drill with Alignment Jig for pile pin and bold hole drilling (if you have to cut off the top of a pile)
- 1x Wrench kit (to turn pile leveling nut)
- [2x Lasers](#)
- [2x Laser Stands](#)
- [1x Electric Band Saw](#)

You must also maintain sufficient levels of inventory to meet the needs of current customers, which may vary based on Your circumstances. We estimate that the cost of your initial inventory will range from \$7,500 to \$40,000. We do not require You to maintain any level of inventory, however You are responsible for meeting Your minimum product purchase requirement.

If You lease the equipment, that may increase Your monthly fixed expenses. If You borrow money to purchase the equipment, that may increase Your monthly fixed expenses.

Note C: Vehicle.

You are required to use a Pick-up truck or a cube van in good condition, no older than 5 years, which must be black or white in color and which must display Our approved signage. You may already own a

vehicle that meets our requirements. The high estimate is for the purchase of a new vehicle. If you lease or finance the vehicle, your expenses will be less.

Note D: Advertising.

This includes any initial advertising expenses for obtaining employees and informing the community of Your business opening.

Note E: Professional Fees.

Because of the variability of attorney's and accountant's fees, this is, at best, an estimate. You should check with Your attorney, accountant and other professional advisors to determine the actual range of fees before signing the Franchise Agreement. You may need an attorney to assist and advise You in setting up Your business organization and reviewing contract documents, and an accountant to provide tax and other business advice. This estimate does not include any ongoing needs for legal services in connection with relationships with customers or vendors.

Note F: Miscellaneous Opening Costs.

You will incur costs for Our required vehicle signage, office supplies, bank fees and other incidental start-up expenses that are included within the range of \$3,000 - \$3,500 set out in the Item 7 chart above.

Note G: Additional Funds

We have relied on the over 20 years industry experience of our CEO in determining the amount of additional funds You may require.

Going Concern Value Not Included.

If You purchase an existing operating GoliathTech business from Us or from another franchisee, You should expect to pay, in addition to the estimated initial investment, an amount representing the fair market going concern value of the business. That value might exceed the estimated initial investment. Any purchase of existing business assets and goodwill would be under a separate agreement negotiated between You and the seller.

Financing.

We do not offer financing for any items. Should We establish relationships with sources of possible financing, We would make the information available to You. Financing availability and qualification requirements would probably change and vary widely. If We make financing available to You, We or Our affiliate(s) would expect to make a profit from it. We do not require You to obtain financing from Us.

No Refunds.

We will not refund any of the payments You make to Us. Payments You make to other persons or entities may be refundable depending on Your agreement with those parties.

Item 8. Restrictions on Sources of Products and Services

You must purchase from Us or a supplier We approve, certain equipment, supplies and inventory necessary to start or operate the Licensed Business. We are the sole approved supplier of the screw piles, drills to install the piles, apparel displaying Our logo and Mark, and other products used in the installation of the piles that You must sell and install in your franchised business. Our product list is lengthy and will be disclosed to You upon request, prior to the signing of the Franchise Agreement. You are restricted from purchasing any of the products We manufacture from any other supplier. As to other equipment, supplies and inventory, You may purchase them from the vendor(s) of Your choice, but the

item(s) must meet Our specifications. We issue specifications in writing and incorporate them in the Manual. These specifications include quality, accuracy, preparation, installation, application, delivery, performance, design, brands, model, part numbers and appearance. In some instances, You must purchase items that comply with Our reasonable subjective determination of whether they meet the standards and comport with the GoliathTech image. If We have not provided specifications, You may purchase any items that reasonably meet the requirements of the Licensed Business.

In some locations, We will offer franchised GoliathTech businesses on a fully equipped basis only. In that case, You must purchase the equipment and the initial inventory from Us or an approved vendor. As of the date of this disclosure document we have not offered units on a fully equipped basis and We have no plan to do so in the immediate future.

You must purchase from Us or a vendor We approve all items used to start or operate Your business that contain or bear the Marks. We or our designated vendor(s) will make a wholesale profit consistent with industry standards. All items that You purchase from approved suppliers must meet Our specifications. This includes advertising and marketing materials, forms, and promotional items. In addition, You must purchase the signs used to identify the Licensed Business(s) and Premises from a vendor We approve. We require You to purchase or lease certain computer equipment and software that meets Our specifications.

We publish a list of approved vendors and order procedures in the Manual. We will approve other vendors (for products other than those products for which we are the sole approved supplier) if You request it in writing or if a vendor requests it and if the vendor demonstrates to Our satisfaction that it is financially stable and can provide product(s) or service(s) that meet Our specifications and that are consistent with Our image. We will not charge a fee to evaluate a proposed vendor. We will give You a good faith estimate of our cost of evaluating a proposed vendor within a reasonable time after You make the request, but before We begin the evaluation process. We will make Our decision within sixty days. If no decision is made within sixty days, We reserve the right to disapprove any previously approved vendor whose performance falls below Our standards. We will make any approvals of new vendors or revoke approval of vendors in writing and will incorporate Our decision in the Manual.

During the fiscal year covered by Our Financial Statements (Exhibit A), neither We nor our affiliate derived any revenue or other material consideration from vendors based on required purchases or leases by franchisees made in accordance with Our specifications. We will derive revenue from the sale of the screw piles and drills to Our franchisees. We may negotiate and receive rebates, discounts, allowances or other material consideration from certain designated suppliers with whom You do business. We anticipate that such rebates, discounts and allowances may range from zero percent to as high as fifteen percent of the amount of Your purchase of certain items. We expect the amount and availability to vary from time to time based upon factors outside our control. We will retain all such rebates, discounts and material consideration. We may, but are not required to negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees. Any rebates obtained by or negotiated by the franchisee may be retained by the franchisee.

Your purchases of goods and services in accordance with specifications will represent approximately 90 to 100% of Your total purchases in connection with establishing Your Licensed Business and approximately 90 to 100% of Your total purchases in connection with operating Your Licensed Business. Since we have not offered franchises prior to the issuance date of this disclosure document, we have not received any revenue or other material consideration from required purchases or leases by franchisees. We are the sole source of supply for the screw piles and drills, however, none of Our officers own an interest in any other approved supplier. We offer no material benefits to franchisees such as renewal or the granting of additional franchises based on a franchisee's purchase of particular products or services or use of particular suppliers. You will purchase helical piles from Us on a regular basis in order to maintain inventory levels.

The Franchisor's revenues from all required purchases and leases for the year ended January 31, 2019 were \$4,888,4506,039.840, representing 8596% of Franchisor's total revenues of

~~\$5,734,4476,280,112~~. No revenues were derived by Franchisor's Affiliates based on Franchisees' required purchases or leases.

~~The numbers contained in this Item 8 are Our good faith estimates. We have little historic data from which to derive accurate numbers or percentages. In the interest of providing You with some point of reference, We have provided these estimates.~~ We have the right to make a profit on items You purchase from Us. Any profits would be within the range of standards in the industry for the item(s) in question.

Item 9. Franchisee's Obligations

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

Obligation	Section in Agreement	Item in Franchise Disclosure Document
a. Site selection and acquisition/lease	Articles 1, 6	Item 11
b. Pre-opening purchases/leases	Articles 1, 6, 7 & 8	Items 7 & 8
c. Site development and other pre-opening requirements	Articles 6 & 7	Items 7 & 11
d. Initial and ongoing training	Articles 1, 4, 5, 7, 11 & 20	Item 11
e. Opening	Articles 2 & 6	Items 7, 8 & 11
f. Fees	Articles 2, 3, 4, 9, 12, 17 & 18	Items 5, 6, 7, 8, 9 & 10
g. Compliance with standards and policies/Operating Manual	Articles 1, 2, 6, 7, 12, 13 & 15	Items 8 & 11
h. Trademarks and proprietary information	Articles 1, 5, 6 & 7	Items 13 & 14
i. Restrictions on products/services offered	Article 7	Items 8 & 16
j. Warranty and customer service requirements	Articles 4, 6 & 7	Item 11
k. Territorial development and sales quotas	Articles 1, 6 & 7	Item 12
l. Ongoing product/service purchases	Articles 4, 5, 7 & 15	Item 8
m. Maintenance, appearance and remodeling requirements	Articles 7 & 9	Items 7 & 11
n. Insurance	Articles 8 & 15	Item 7

Obligation	Section in Agreement	Item in Franchise Disclosure Document
o. Advertising	Articles 1, 2, 7, 8 & 15	Items 6, 7 & 11
p. Indemnification	Articles 7, 8, 12	Item 13
q. Owner's participation/management/staffing	Articles 4, 5, 7, 11, 13, 15 & 17	Item 15
r. Records and reports	Articles 3	Items 8 & 15
s. Inspections and audits	Articles 3	Item 6
t. Transfer	Articles 12	Item 6
u. Renewal	Articles 9, 10 & 15	Item 6
v. Post-termination obligations	Articles 5, 15, 16, and 17 & 18 (if applicable)	Item 17
w. Non-competition covenants	Articles 16 & 18 (if applicable)	Item 17
x. Dispute resolution	Article 19 8	Items 9 & 17

Item 10. Financing

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

Item 11. Franchisor's Assistance, Advertising, Computer Systems & Training

Pre-Opening Obligations.

Except as listed below, GoliathTech, Inc. is not required to provide You with any assistance.

Before You open Your Licensed Business, We will:

1. License You to use our Marks and System in connection with Your Licensed Business (Franchise Agreement - Article 1);
2. Designate Your Territory (Franchise Agreement - Article 1);
3. Loan You one or more operations manuals ("the Manual") (Franchise Agreement - Article 1); and
4. Provide initial training for You and up to 4 employees as follows:

TRAINING PROGRAM

Subject	Hours of Classroom Training*	Hours of On The Job Training*	Location
Sales Training	8		Magog, Quebec
Product & Installation Training	8	8	Magog, Quebec

Subject	Hours of Classroom Training*	Hours of On The Job Training*	Location
TOTAL	16	8	

*All times are approximate, and We may adjust them based upon Your experience and rate of learning. Initial training will be approximately 16 hours at Our Corporate Headquarters and 8 hours on-site at one of Our customer's locations. We will hold training as often as necessary depending on the number of new franchisees. ~~There is no regularly scheduled initial training at this time.~~ The Manual will be the primary instructional training material.

Initially, You may have just one person making the sales and installation. You or a designated Manager must be responsible for business operations and management. All trainees must successfully complete Our initial training program. We will decide whether You successfully complete the initial training program based upon knowledge test results and Our observations of Your ability to use the knowledge effectively. The initial training program must be completed within 90 days of the signing of the Franchise Agreement.

Before opening Your Licensed Business, We will provide initial training to You and up to four additional persons, dependent upon how many installers You have, as part of Your Initial Fee. We will decide whether You successfully complete the initial training program based upon knowledge test results and Our observations of Your ability to use the knowledge effectively. You are responsible for all salaries, compensation and travel related expenses of persons receiving training, both initial training and on-going training. For further information regarding expenses related to the initial training, please review again Franchise Agreement - Article 4.

After the first five persons trained We will charge an estimated \$500 per person per day fee for the initial training program. There will be an estimated \$500 per person per day fee for training of additional managers. In all cases, You are solely responsible for all salaries, compensation, benefits, travel and related expenses for trainees. The Sales Training and Product Training instructor will be James Buzzell will conduct the Installation Training. Please refer to Note below for information regarding training instructors' experience. The Manual will be the primary instructional material.

We will offer additional mandatory training on new products or services that we may develop as part of the franchise system. We do not anticipate charging a fee for those training sessions; however, You will be responsible for all expenses associated with travel, room and board and salaries of those who attend the training.

Note: Experience of training instructors.

Julian Reusing is a certified sales coach with 25 years sales training experience.

Obligations after opening, We will:

1. Take any actions We deem appropriate to protect or defend the Marks or System (Franchise Agreement - Article 1);

2. Loan You one or more operations manuals ("the Manual"), which contains specifications and mandatory and suggested standards and procedures. This manual is confidential and remains Our property. We will modify this manual, but the modifications will not materially alter Your status and rights under the Franchise Agreement. Exhibit D includes a copy of the Manual's Table of Contents. The Manual currently contains approximately 93 pages.

3. Manage any Marketing Fees. We will prepare an annual, unaudited statement of Marketing Fund collections and expenses and give You the statement upon written request (Franchise Agreement – Article 2)

4. Manage all aspects of the marketing program using any Marketing Fees collected (Franchise Agreement - Article 2);

5. Provide a periodic training program. Please refer to Franchise Agreement - Article 4 for information regarding the frequency and number of training programs We may require You to participate in.

We also expect to be in regular contact with You to discuss Your operation of the Licensed Business and to generally be of assistance. We plan to provide additional on-going training for You and Your manager(s) and employees at no additional charge. The Agreement does not obligate Us to provide such services, however.

Marketing Fund

We plan to provide a marketing program using any Marketing Fees You pay, combined with those from other franchisees. All Franchisees will pay ~~either 3% of its Gross Revenues~~ into the Marketing Fund or an amount equal to 6% of the total price of Products purchased from Us, excluding product purchased by manufactured home installers directly from Us. Franchisor and affiliate-owned units will contribute to the marketing fund in the same manner as Franchisees. We expect to focus all marketing using Marketing Fees in areas where We have one or more franchisees, although the Agreement does not require Us to benefit You with every marketing program. We may charge Our marketing research, development and production expenses against the marketing funds. You must conduct marketing through our approved marketing firm or through a Regional Marketing Cooperative and You may use Your own marketing materials, but You must obtain approval from Our approved marketing firm of any such materials in advance.

We will direct all programs that the Marketing Fund finances, with sole control over the creative concepts, materials and endorsements used and their geographic, market and media placement and allocation. The Marketing Fund may pay for preparing and producing local, regional or national advertisements, video, audio and written materials and electronic media; administering regional and multi-regional marketing and advertising programs, (including, without limitation, using in-house or outside advertising, promotion and marketing agencies and other advisors to provide assistance); and supporting public relations, market research and other advertising, promotion and marketing activities. The Marketing Fund periodically will give You samples of advertising, marketing and promotional formats and materials at no cost and will sell You multiple copies of these materials at its direct cost of producing them, plus any related shipping, handling and storage charges.

We will not account for the Marketing Fund separately from our other funds and We will not maintain a separate account for the Fund and will not use the Marketing Fund for any of our general operating expenses, except to compensate the reasonable salaries, administrative costs, travel expenses and overhead We incur in administering the Marketing Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials, and collecting and accounting for Marketing Fund contributions. The Marketing Fund is not a trust, and We do not owe You fiduciary obligations because of our maintaining, directing or administering the Marketing Fund or any other reason. We will not use Marketing Fund contributions for advertising that is principally a solicitation for the sale of franchises except that in certain ads with available space, we may insert certain language as to the availability of franchise opportunities. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year; borrow from us or others to cover deficits, or invest any surplus for future use. We will use all interest earned on Marketing Fund contributions to pay costs before using the Marketing Fund's other assets. We will not prepare an annual audited statement of Marketing Fund collections and expenses, but We will provide You a summary of collections and expenses upon Your written request. We may incorporate the Marketing Fund or operate it through a separate entity whenever We deem appropriate. No Marketing Fund contributions were collected from franchisees during our most recently concluded fiscal year.

We intend the Marketing Fund to maximize recognition of Our Marks. Although We will try to use the Marketing Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Businesses in the System, We need not ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Marketing Fund contributions by GoliathTech businesses operating in that geographic area or that any GoliathTech

Business benefit directly or in proportion to its Marketing Fund contribution from the development or placement of advertising and marketing materials. We may forgive, waive, settle and compromise all claims by or against the Marketing Fund. We assume no direct or indirect liability or obligation to You for collecting amounts due to, maintaining, directing or administering the Marketing Fund.

We may at any time defer or reduce the Marketing Fund contributions of a GoliathTech Business and, upon thirty (30) days' prior written notice, reduce or suspend Marketing Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If We terminate the Marketing Fund, We will distribute all unspent monies to all GoliathTech Businesses (whether franchised or operated by Us) in proportion to their respective Marketing Fund contributions during the preceding twelve (12) month period.

We are not obligated to expend the Marketing Fee or placement of advertising in Your territory, or to insure that Your franchise business benefits directly or pro-rata from marketing fee expenditures. We will not use the Marketing Fee for creating or placing any advertisements that is principally a solicitation for new franchisees, but may include in our advertising prepared using marketing fee (including Internet advertising) information concerning franchise opportunities and a portion of the Marketing Fee may be used to create and maintain one or more pages on our website devoted to advertising franchise opportunities and identifying and screening inquiries submitted by franchise candidates.

During our most recently concluded fiscal year We collected Marketing Fees of ~~\$261,430~~265,516 from franchisees. We expended ~~\$288,446~~267,427. The funds were spent as follows: 54% on production; 858% on media placement; 408% on administrative expenses. You may not engage in sales through alternative distribution channels or the Internet without Our prior written approval. We are not required to give You such approval. (Franchise Agreement – Article 1)

We currently do not have an advisory council composed of franchisees that advises us on advertising policies. If We form or approve an advisory council, You must participate. Any advisory council would not have decision-making power. It would be advisory only. We have the right to form, change or dissolve any advisory council.

Advertising Cooperative

If at any time, there are two or more GoliathTech franchisees within a marketing area You may form a local marketing cooperative. We will decide and may modify the size and location of any marketing area. A local marketing cooperative, by a majority vote, may assess additional local and cooperative Marketing Fees and You must pay them. A local marketing cooperative may not assess additional Marketing Fees in an amount greater than one percent of Gross Revenues unless all members of the cooperative agree. Except for these guidelines, and subject to any rules or recommendations We may adopt, each local marketing cooperative will be autonomous, making its own rules and procedures and administering its own funds. We will collect regional cooperative marketing fees for marketing cooperatives, if applicable. Franchisees are not required to participate in any local or regional marketing cooperatives.

Local Marketing

You must spend an amount equal to 3% of Your Gross Revenues for marketing in your Territory.

Internet/Social Media Activities

We maintain a website that provides information about the System, the products and services offered by franchisees and we will have sole discretion and control over it. We also have the sole right to create interior pages on our website(s) that contain information about your business and other franchised and company owned locations. All Franchisees are given access to post on the interior web pages for their location within the Franchisor's guidelines.

You may not establish a presence on, or market using, the Internet without our prior written consent. If you disagree with the content of your Franchisee's Page, our determinations will control. We retain the

sole right to advertise or use the Marks on the Internet. We retain ownership of your Facebook, Facebook groups and communities, Google, Yahoo, Bing, Yelp, and any other online business profile pages. We may require you to provide content for our Internet marketing pages. Should your internet presence become inactive or fail to comply with system standards, Franchisor may assume control of all internet activities for your GoliathTech business. You must comply with our intranet and Internet usage rules, style guide, and requirements. (Franchise Agreement Section 7.15) You must comply with Franchisor's Social Media Policy and guidelines as they may be amended or modified from time to time.

Computer System

We require You to use certain computer equipment and software. You may not use any computer hardware that does not meet Our current minimum requirements. You are responsible to maintain and repair Your hardware and to update or upgrade Your software. We may recommend or require additional hardware. We currently require You to use the following computer software:

Any software program that includes email capabilities, i.e. Microsoft Outlook, Mac Entourage or Mail.

As scheduling, report preparation and processing software and accounting programs become more sophisticated, you may need to upgrade or supplement hardware and related items. We anticipate the cost to purchase or lease the computer system that meets our specifications to be \$2,000. You must upgrade your computers, modems and printers and purchase any additional equipment we specify to accommodate the software, or to improve the overall effectiveness and competitiveness of your business. We do not expect these types of upgrades or maintenance to exceed \$1,000 per full location in any 24-month period. There are no contractual limitations on the frequency or the costs you may incur to upgrade or update the computer system. We nor our Affiliate or other third party have any obligation to provide ongoing maintenance, repairs, upgrades or updates to your computer hardware or software. We will have independent and unlimited access to the information that will be generated or stored in any electronic cash register or computer system. There are no contractual limitations on Our right to access the information.

Site Selection

You may operate your Franchised Business from premises that you own or lease. You are not required to locate your business within your Territory. We will not unreasonably withhold our consent to your proposed location, but we will not provide any direct site selection assistance to you and we will not review your lease. We do not provide any assistance to you with the construction, remodeling, or review of your plans for the construction or remodeling of the proposed site. The factors that we will consider in approving your site include; (i) whether the proposed location has sufficient space for your business including adequate storage for tools, equipment and inventory; (ii) whether the proposed site has sufficient capacity for telephone and data lines; and (iii) whether the proposed site is consistent with our System standards as those standards may be modified from time to time. Our approval of a proposed location for your Franchised Business is not a representation or warranty of any kind, express or implied, that the site is suitable for the business, only that it meets our general criteria.

Time To Open

The typical length of time between when You sign the Agreement or pay the initial franchise fee and the time when Your Licensed Business opens will generally be 2 to 3 months. You must open the Licensed Business within four (4) months of the signing of the Franchise Agreement, or We may terminate the Agreement. The factors affecting this length of time include the time necessary for You to obtain Premises and equipment, obtain required licenses, schedule Your initial training, and hire and train any employees. There may be unusual circumstances in which, because of delays and other events beyond Our control it takes longer than three months. On the other hand, it could be less than two months. We

cannot predict the time it may take for you to obtain the licenses and permits that may be required by your state, city, or local government.

Item 12. Territory

We will grant You a non-exclusive protected geographic territory ("Territory") which We will describe in Addendum B to the Franchise Agreement. The Territory will be defined by towns, cities, counties, zip codes, or other geographic boundaries. If You are not in breach of the Agreement, We will not locate or open a competitive business under the Marks and using the System in Your Territory, either company-owned or franchised, during the term of the Agreement. We will not solicit or accept orders from customers inside Your Territory with the sole exception of accounts with manufactured home builders ("Manufactured Home Manufacturers"), to which we have the right to solicit and sell product, all without compensation to Franchisees within whose Territory such a customer is located or does business. You may not solicit business from those Manufactured Home Manufacturers without our express written consent, which we may grant or withhold in our sole discretion.

We have also established a program in which We will directly invoice manufactured home installers("MHI"s) in Your Territory who will purchase product directly from Us. Franchisee will identify MHIs in its Territory and present the potential MHI to Us for our evaluation as a participant in the program. We refer to this as the "MHI Program". We will provide direct invoicing and collections, provide financing of the MHI orders in our discretion, and provide administrative support and directly ship the product to the MHI customer. You will be paid a commission based on Our direct invoiced sale to the MHI in Your Territory, equal to the difference in the Franchisee's cost of product on Franchisor's most recent price list and the MHI purchase price as determined by Us. Franchisee may continue to perform manufactured home installations in the Territory but may not sell product directly to an MHI.

You may locate the Franchised Business at any location which may be within or outside of Your Territory. You may relocate the Franchised Business without Our prior approval. You may not operate outside of Your Territory. However, if a neighboring Territory is not licensed to another franchisee, You may operate in that Territory until it is franchised to a Licensee. You may not use other channels of distribution, such as the internet, catalogue sales, telemarketing or other direct marketing, to make sales outside of Your territory. We do not grant You with any options, rights of first refusal or similar rights to acquire additional franchises within the territory or contiguous territories except as set forth in this Item. The Agreement does not permit Us to modify the boundaries or size of Your Territory.

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

~~We will grant You an exclusive geographic territory ("Territory") which We will describe in Addendum B to the Franchise Agreement. The Territory will be comprised of approximately 70,000 to 120,000 households and be defined by towns, cities, counties, zip codes, or other geographic boundaries. If You are not in breach of the Agreement, We will not locate or open a competitive business under the Marks and using the System in Your Territory, either company-owned or franchised, during the term of the Agreement. We will not solicit or accept orders from customers inside Your Territory. You may locate the Franchised Business at any location which may be within or outside of Your Territory. You may relocate the Franchised Business without Our prior approval. You may not operate outside of Your Territory. However, if a neighboring Territory is not licensed to another franchisee, You may operate in that Territory until it is franchised to a Licensee. You may not use other channels of distribution, such as the internet, catalogue sales, telemarketing or other direct marketing, to make sales outside of Your territory. We do not grant You with any options, rights of first refusal or similar rights to acquire additional franchises within the territory or contiguous territories except as set forth in this Item. The Agreement does not permit Us to modify the boundaries or size of Your Territory.~~

Except as described above, We and Our affiliate(s) will not establish other franchised or company-owned businesses within Your Territory using the Mark or under a different trademark. Neither We or Our Affiliate has used or reserves the right to use other channels of distribution, such as the Internet, catalogue sales, telemarketing, or other direct marketing, to make sales within Your Territory of products

or services under Our principal trademark or under different trademarks different from the ones You will use under the Franchise Agreement. Your continued Territory rights are affected by Your market penetration. [We may terminate Your Franchise Agreement if you fail to meet the following required minimum purchases of Franchisor manufactured products in any given year for each franchise territory you own. Each year below refers to the 12-month period that begins on the date You and We sign the Franchise Agreement.](#)

~~We may terminate Your Franchise Agreement if you fail to meet the following required minimum purchases of Franchisor manufactured products in any given year. Each year below refers to the 12 month period that begins on the date You and We sign the Franchise Agreement.~~

Minimum Required Yearly Purchases of Franchisor's Manufactured Products

Year 1 - \$7,500

Year 2 - \$15,000

Year 3 - \$25,000

Year 4 - \$35,000

Year 5 - \$50,000

If You are in full compliance with the Agreement and with the Manual, We may permit You to acquire additional territories, although we are not required to do so. The price of additional territory is \$18,500 if you do not purchase additional equipment, or \$28,500 including the equipment package. The purchase price for the additional territory is payable, in full, when You sign an addendum for the additional territory, or a new franchise agreement.

Item 13. Trademarks

GoliathTech Inc. has obtained Principal Register federal registration of the mark "GoliathTech". The registration date was September 20, 2016. The United States Patent and Trademark Office has issued Registration Number 5,045,694. We have also obtained Principal Register federal registration of the mark "The Pillars of Your Projects GoliathTech". The registration date was November 20, 2018. The United States Patent and Trademark Office has issued Registration Number 5,612,984. [No affidavits are currently due.](#) We are not aware of any opposition to our registrations and none have been filed with the United States Patent and Trademark Office.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trade Mark Trial and Appeal Board, or any state trademark administrator or court, any pending infringement, opposition or cancellation proceedings. There are no currently effective agreements that significantly limit the franchisor's right to use or license the use of the trademarks listed in this section in a manner material to the franchise.

You must inform Us if You become aware of any misuse or misappropriation of the Marks or anything confusingly similar. You may not start any litigation relating to the wrongful use of the Marks without Our prior written approval. We may take whatever action We deem appropriate to protect or defend the Marks or System, but the Franchise Agreement does not require us to defend or indemnify You or take any action in the event of a trademark infringement claim is asserted against You.

If a third party sues You claiming that You are infringing the trademark or trade name of the third party by using the Marks, You must inform Us immediately. We will indemnify You as to that claim only and have the right to control the litigation or administrative proceedings.

It may become necessary in Our sole discretion, because of trademark litigation, a decision of the Patent and Trademark Office, or otherwise, to change, modify, or discontinue the Marks. In that event, You must immediately adopt the new or revised Marks and Our maximum liability, including for any purported

goodwill, is to reimburse You for the actual out-of-pocket costs of changing the principal signs identifying Your Premises.

We are not aware of any superior prior rights or infringing uses that could materially affect Your use of the Marks in the state where the franchise will be located.

Item 14. Patents, Copyrights and Proprietary Information

We have filed the following applications with the U.S. Patent and Trademark which are material to the franchise:

Patent/Design	Application No.	Filing Date	Patent Reg. No.	Grant Date	Title	Status
Design	29/471,020	10/28/2013	D735,569	8/4/2015	Pile Head Connector	Issued
Design	29/471,021	10/28/2013	D735,896	8/4/2015	Helix Adaptor For A Pile	Issued
Design	29/502,013	9/10/2014	D754,880	4/26/2016	Fence Post Adaptor	Issued
Patent	61/868,773	8/22/2013	N/A (provisional)	N/A	Pile, Pile Head and Connector Therefor	Expired in favor of complete applications
Patent	14/423,878	2/25/2015	9,631,335	4/26/2017	Pile, Pile Head And Connector Therefor	Issued

Patent/Design	Application No.	Filing Date	Patent Reg. No.	Grant Date	Title	Status
Patent Application	15/457,381	8/22/2014	N/A	N/A	Pile, Pile Head and Connector Therefor	Allowed
Patent	62/422,631	11/16/2016	N/A	N/A	Mobile Home Support Assembly	Expired in favor of complete applications
Patent Application	15/814,907	05/17/2018	N/A	N/A	Support Assembly For A Building Structure	Pending
Patent Application	16/059,618	08/09/2018	N/A	N/A	Support Apparatus For Supporting A Headstone	Pending

There are no material determinations of the United States Patent and Trademark Office, or a court regarding the patent applications. There are no agreements that limit the use of the patent applications. We know of no infringement that could materially affect the franchise.

If a third party sues You claiming that You are infringing the patent rights of the third party by selling the helical piles or other proprietary items We require You to purchase from us, You must inform Us immediately. We will indemnify You as to that claim and We will have the right to control the litigation or administrative proceedings.

It may become necessary in Our sole discretion, because of patent litigation, a decision of the Patent and Trademark Office, or otherwise, to modify or discontinue using Our proprietary helical piles. In that event, You must immediately discontinue your promotion, sale or installation of the piles and Our maximum liability, including for any purported goodwill, is to repurchase all of the effected product from You at cost.

We are not aware of any superior prior rights or infringing uses that could materially affect Your use of the patented products in the state where the franchise will be located.

We claim copyright protection and will continue to claim copyright protection of the Manual and revisions of all Manuals and Handbooks and construction plans loaned to You, and all training materials We provide or sell to You and Your employees. We have not registered any copyrights, but may in the future.

The Manual(s), the contents of each, and certain other information We will provide to You, including certain methods, marketing and sales strategies and annual reports on marketing funds expenditures, if required, are all confidential trade secrets. All information We provide to You or which You develop in the course of performing under the Franchise Agreement which is not generally available to the public and which a competitor might find valuable are trade secrets. If We designate something as a "Trade Secret", You must treat it as a Trade Secret whether or not it would otherwise meet any definition of "Trade Secret". You are responsible for protecting all trade secrets and other confidential and

proprietary information and You cannot transfer them or sell them to anyone at any time. You must require Your Manager(s) and other employees who have access to Trade Secrets to comply with Your obligations under the Franchise Agreement to protect Our Trade Secrets. The Franchise Agreement does not require Us to take any action to protect Our copyrighted information.

Item 15. Obligation to Participate in the Actual Operation of the Franchised Business

You must either devote Your full time and effort to managing and operating the Licensed Business or delegate its management or operation to a responsible person that We have approved. You must reserve and exercise ultimate authority and responsibility over operation and management of the Licensed Business. If You delegate management and operation to a Manager, the Manager must first successfully complete Our initial training program within sixty days after assuming the role of Manager. If You are a corporation or other entity, each owner must personally guaranty the Agreement and the entity must designate a competent Manager. We do not require the designated Manager to be an equity owner of the franchised business. You or a designated Manager must be responsible for business operations and management. You must require each Manager and employee to whom You disclose our trade secrets to be subject to the trade secrets section of the Franchise Agreement (Franchise Agreement – Article 5). You must require every Manager and employee with access to trade secrets or confidential information to sign a confidentiality agreement (See Addendum E to the Franchise Agreement). The current form of confidentiality agreement is Addendum E to the Franchise Agreement.

Item 16. Restrictions on What the Franchisee May Sell

You may offer for sale only products and services We approve and manufacture. We may revoke approval of any goods or services that we have previously approved, upon reasonable advance notice to You. You must offer the sale and installation of helical piles (screw piles) operating under Our Marks and following Our System and manufactured by GoliathTech Inc. You must sell all products and services as we direct. [Franchisee shall make its best efforts to market Franchisor's products to all potential channels and business types as Franchisor may direct. Any effort by Franchisee to offer product to any one specific channel or customer type to the exclusion of all others is a material breach of the Franchise Agreement.](#)

You must purchase exclusively all products from Us including the piles, the drills to install the piles and all other products on our product list. [You may not re-sell our products but only use them for installations you perform.](#) You must obtain other supplies and equipment from suppliers We select or approve. We have sole discretion in determining what constitutes the GoliathTech image. The image is constantly evolving as markets change.

We may change the System or any part of the System at any time, and as changed it will remain the System. We own any improvements or changes in the System whether We, You or other franchisees develop them and have the right to adopt and perfect such improvements or changes without compensating You. If We modify the System, You must, at Your own expense, adopt and use the modification(s) as if they were part of the System at the time You signed the Agreement. There are no restrictions on Our right to modify the types of goods and services You will offer except that You will remain primarily offering and installing helical piles.

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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 Franchise Disclosure Document.

	Provision	Section in Franchise Agreement	Summary
a.	Length of the Franchise Term	Article 1	5 years
b.	Renewal or extension of the term	Article 9	If You are in good standing and We continue the franchise system in Your area, We may permit You to renew for successive 5-year terms under the then-current agreement, which may be materially different than the agreement We are now offering.
c.	Requirements for Franchisee to renew or extend	Article 9	Be in good standing with Us, sign new agreement which may contain materially different terms and conditions as Your original agreement, update or replace signs and equipment, retain Premises, give 12 months' notice and pay a fee of not more than 25% of the then-current Initial Fee.
d.	Termination by Franchisee	Article 18 None	At any time, upon not less than ninety (90) days prior written notice to Franchisor, Franchisee may secure a release from Franchisee's continuing obligations under this Agreement by executing a Release From Continuing Obligations. See Article 18 and Addendum G to the Franchise Agreement. Franchisee may terminate only as provided by law.
e.	Termination by Franchisor without cause	Not Applicable	
f.	Termination by Franchisor with cause	Article 15	We may terminate only for cause. We may, in lieu of terminating Your franchise, terminate Your territorial rights and leave Your franchise in full force and effect; however, terminating Your territorial rights does not limit Our rights thereafter to terminate Your franchise for the same or a different cause.

	Provision	Section in Franchise Agreement	Summary
g.	"Cause" defined—curable defaults	Article 15	You have 72 hours to cure: failure to pay Us or another GoliathTech franchisee; unauthorized assignment; abandonment (even if unintentional); You become insolvent; failure to pay any taxes before delinquent; sublicensing of Marks; impasse among owners of Franchise; refusal to permit an audit; violation of any law or rule (including any health codes, rules or regulations); conviction of a felony; failure to operate properly using the Marks; unethical or dishonest business dealings; failure to maintain insurance; failure to timely deliver estoppel certificate; or termination of any other agreement between You and Us for cause; failure to meet the minimum annual product purchase requirement. You have 30 days to cure any breach of the Agreement for which the Agreement does not specify a shorter period.
h.	"Cause" defined—non-curable defaults	Article 15	Non-curable defaults: repeated defaults, even if cured; You are adjudged bankrupt; assignment for benefit of creditors; abandonment of business; convicted or plead guilty to violating law relating to Licensed Business.
i.	Franchisee's obligations on termination/non-renewal	Articles 16 & 17	No further use of Marks, telephone numbers, telephone listings, computer software, trade secrets or the Manual; certain notification obligations; payment of sums due to Us; We have option to lease or assume lease for Your Premises; sign document(s) to transfer telephone numbers; continuing royalties on pending sales, if any; and We have option to purchase any part of Your business assets. If We elect to assume Your lease and to operate a GoliathTech business from Your Premises, You must cooperate in a changeover procedure, including notifying the landlord of the change of tenant, conducting an inventory, permitting Us to use Your furniture, fixtures and equipment for up to 60 days, and permitting Us to communicate directly with Your employees, vendors and customers in order to facilitate a smooth transition.
j.	Assignment of contract by Franchisor	Articles 12, 14 & 240	No restriction on Our right to assign except that if Our assignee assumes all of Our obligations to You then We are free of further liability to You.

	Provision	Section in Franchise Agreement	Summary
k.	"Transfer" by Franchisee—defined	Articles 11, 12, 13 & 14	Includes any assignment, transfer, sale, sublease or encumbrance of the Agreement, the Franchise, the assets of Your business, the Premises, or of any ownership interest in the Franchisee if You are a corporation, partnership or limited liability company or other form of Entity.
i.	Franchisor approval of transfer by franchisee	Articles 11, 12, 13 & 14	Franchisor has the right to approve or disapprove all transfers.
m.	Conditions for Franchisor approval of transfer	Articles 11, 12, 13 & 14	You are current in all fees to Us; You are not in material breach of the Agreement; You have paid all debts of Your business; new Franchisee signs release of claims against Us for representations You made; You sign a mutual termination and release of the Agreement; We receive transfer fee (20% of the then-current Initial Fee) of the then-current Initial Fee ; new Franchisee signs the then-current form of Agreement (except preserving Your financial terms for balance of Your term); new Franchisee qualifies; new Franchisee successfully completes initial training program; new Franchisee obtains rights to Your Premises lease, if applicable; and We receive 30 day right of first refusal. The fee to transfer to an entity with identical ownership is \$500.
n.	Franchisor's right of first refusal to acquire Franchisee's business	Article 12 & 17	We may match any offer for Your business.
o.	Franchisor's option to purchase Franchisee's business	Article 17	On termination, We may purchase any part of Your business at the fair market value of the tangible personal property purchased.
p.	Death or disability of Franchisee	Articles 12 & 13	Your heirs or personal representative must, within 90 days, either (i) request the right to continue to operate the business, subject to Article 13 of the Agreement except that no transfer fee will be payable, or (ii) sell the Licensed Business to a third party, subject to Article 13 of the Agreement. If We deny a request to continue to operate the business, the 90 days to sell begins on the date of Our denial. The same applies if You become disabled as defined in Article 13.03 of the Agreement.

	Provision	Section in Franchise Agreement	Summary
q.	Non-competition covenants during the term of the franchise	Article 16	Each of the franchisee, the designated operator of any partner, director, officer, director or shareholder of the franchisee and anyone with any interest of any nature whatsoever, direct or indirect, in the franchisee covenants and agrees hereby will not, directly or indirectly, either for himself or on behalf of or in conjunction with any other person, partnership, association or corporation, own, maintain, engage in, lend money, lend his name, endorse any debt or obligation, assist or assistance, to be used, perform, participate in or have an interest of any nature whatsoever to, or in any business of which all or a portion substantial activity is in operation, the concession and / or franchising a business of manufacturing and installation of helical piles or structural support systems that are similar in design to the helical piles we manufacture and sell to You.
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	Provision	Section in Franchise Agreement	Summary
r.	Non-competition covenants after the franchise is terminated or expires	Articles 16 & 18 (if applicable)	During the term and for a period of two (2) years after any termination of this, each of the franchisee, the designated operator of any shareholder, director, officer, director or shareholder of the franchisee or any person with any interest, direct or indirect, of any kind, in the franchisee shall not: (a) divert or attempt to divert any business or any current or potential customer of the franchise business to any competitor by direct or indirect, or otherwise provides; (b) employ or seek to employ any person who, at that time or at any time during the six (6) months earlier, is or was employed by the franchisor or by one of its franchisees, or otherwise encourage, directly or indirectly, such person to leave his job, except with the prior written consent of the franchisor and employer of that person; (c) use for any purpose other than for the sole purpose of the operation of the franchised business, disclose or communicate to any person other than the franchisor, for any reason whatsoever, unless forced to do so by a specific law or by court order, any confidential information relating to the affairs of the franchised business, the franchisor or other franchisees of the franchisor or the contents of the Operations Manual, the present provision to customers, suppliers, price lists, competitors, samples, trade secrets, market studies and other accounting data, all rights reserved, names and addresses of employees, description of equipment and affairs of the franchised business, the franchisor and any another franchisee of the franchisor; (d) engage in the business of the sale or installation of structural support systems or engage in the business of offering or supporting franchises that engage in the business of the sale or installation of helical piles or structural support systems that are similar in design to the helical piles we manufacture and sell to You, within the Franchisee's Territory or former Territory or within a 25 -mile radius of the Territory.
s.	Modification of the agreement	Article 24 <u>0</u>	Only by written agreement; We may modify Manual at any time.

	Provision	Section in Franchise Agreement	Summary
t.	Integration/merger clause	Article 240	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations <u>or</u> promises made outside the disclosure document and franchise agreement may not be enforceable. No provision of the Franchise Agreement may disclaim or require the Franchisee to waive reliance on the representations made in the Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Article 198	Except for actions for the sole purpose of collecting unpaid monies, including franchise fees, royalties or Marketing Fees or to enforce trademark or trade secret rights and covenants against competition, We will settle all disputes with You by Arbitration, which will only occur after the parties try informally to resolve the dispute and participate in mediation.
v.	Choice of forum	Articles 189 & 240	Litigation or arbitration must be in the Province of Quebec, Canada (subject to applicable state law)
w.	Choice of law	Article 240	Canadian law applies (subject to applicable state law).

Item 18. Public Figures

We do not currently use any public figure to promote Our franchise.

Item 19. Financial Performance Representations

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchises 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 such representations either orally or in writing. If You are purchasing an existing outlet, however, We may provide You with the actual records of that outlet. If You receive any other financial performance information or projections of Your future income, You should report it to our management by contacting Julian Reusing, 175B Peladeau, Magog, Quebec, J1X 5G9, Canada. , Toll Free 855-743-4777, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20. Outlets and Franchisee Information

TABLE NO. 1

Systemwide Outlet Summary For years 20167 to 20189

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	20167	4285	85114	+4329
	20178	85114	11437	+292
	20189	11436	437128	+238
Company-Owned	20167	0	0	0
	20178	0	0	0
	20189	0	0	0
Total Outlets	20167	4285	85114	+4329
	20178	85114	11436	+292
	20189	11436	437128	+238

Notes:

1. Our fiscal year ends on 1/31; the annual information in the Item 20 charts for 2018each year reflects results through 1/31 of the following year.
- ~~2. Changes have been made in prior year's numbers to correct errors.~~

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TABLE NO. 2

**Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For years ~~2017~~ to ~~2018~~**

State	Year	Number of Transfers
Alaska	2017	<u>0</u>
	2018	<u>0</u>
	2019	<u>1</u>
Connecticut	2017	0
	2018	<u>0</u>
	2019	<u>1</u>
Massachusetts	2017	0
	2018	<u>0</u>
	2019	<u>4</u>
Vermont	2017	<u>0</u>
	2018	<u>0</u>
	2019	<u>3</u>
Total	2017	0
	2018	<u>0</u>
	2019	<u>2</u>

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TABLE NO. 3

**Status of Franchised Outlets
For years 20167 to 20189**

State	Year	Outlets at Start of Year	Outlets Opened	Terminated	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
AZ	20167	0	03	0	0	0	0	03
	20178	03	30	03	0	0	0	30
	20189	30	00	30	00	00	00	00
AK	20167	0	01	0	0	0	0	01
	20178	01	40	0	0	0	0	1
	20189	1	00	00	00	00	00	41
CA	20167	05	53	0	0	0	0	58
	20178	58	30	0	0	0	0	8
	20189	8	00	00	00	00	00	88
CO	20167	01	40	0	0	0	0	1
	20178	1	0	01	0	0	0	40
	20189	40	00	40	00	00	00	00
CT	20167	07	70	0	0	0	0	7
	20178	7	0	0	0	0	0	7
	20189	7	00	00	00	00	00	77
DE	20167	0	02	0	0	0	0	02
	20178	02	20	0	0	0	0	2
	20189	2	00	00	00	00	00	22
FL	20167	2	0	01	0	0	0	21
	20178	21	01	1	0	0	0	1
	20189	1	41	40	00	00	00	42
GA	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	1	0	0	0	0

ID	20167	0	0	0	0	0	0	0
	20178	0	02	0	0	0	0	02
	20189	02	20	00	00	00	00	22

State	Year	Outlets at Start of Year	Outlets Opened	Terminated	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
IL	20167	0	03	0	0	0	0	03
	20178	03	30	0	0	0	0	3
	20189	3	00	00	00	00	00	33
IA	20167	0	0	0	0	0	0	0
	20178	0	06	0	0	0	0	06
	20189	06	60	00	00	00	00	66
KS	20167	0	0	0	0	0	0	0
	20178	0	01	0	0	0	0	01
	20189	10	40	00	00	00	00	41
KY	20167	0	01	0	0	0	0	01
	20178	01	40	0	0	0	0	1
	20189	1	00	01	00	00	00	40
LA	20167	1	0	01	0	0	0	40
	20178	40	0	40	0	0	0	0
	20189	0	00	00	00	00	00	00
MA	20167	144	30	0	0	0	0	14
	20178	14	0	0	0	0	0	14
	20189	14	00	00	00	00	00	4414
ME	20167	1	0	0	0	0	0	1
	20178	1	0	0	0	0	0	1
	20189	1	00	00	00	00	00	41
MI	20167	0	0	0	0	0	0	0
	20178	0	02	0	0	0	0	02
	20189	02	20	01	00	00	00	21

MO	2016 ⁷	0	0 ³	0	0	0	0	0 ³
	2017 ⁸	0 ³	0 ⁰	0	0	0	0	3
	2018 ⁹	3	0 ⁰	3 ³				

State	Year	Outlets at Start of Year	Outlets Opened	Terminated	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
MN	2016 7	11	0	0	0	0	0	11
	2017 8	11	0	0	0	0	0	11
	2018 9	11	0	0	0	0	0	11 11
NH	2016 7	4	0 1	0	0	0	0	4 5
	2017 8	4 5	1 0	0	0	0	0	5
	2018 9	5	0	0 2	0	0	0	5 3
NJ	2016 7	3 6	3 0	0	0	0	0	6
	2017 8	6	0	0	0	0	0	6
	2018 9	6	0 1	0	0	0	0	6 7
NM	2016 7	0	0	0	0	0	0	0
	2017 8	0	0 1	0	0	0	0	0 1
	2018 9	0 1	1 0	0	0	0	0	1 1
NY	2016 7	4 5	4 5	0	0	0	0	5 10
	2017 8	5 10	5 3	0	0	0	0	10 3
	2018 9	10 3	3 1	0 3	0	0	0	13 11
NC	2016 7	0 1	1 3	0	0	0	0	1 4
	2017 8	1 4	3 1	0	0	0	0	4 5
	2018 9	1 4	1 0	0	0	0	0	4 5
OH	2016 7	0 1	1 2	0	0	0	0	1 3
	2017 8	1 3	2 0	0	0	0	0	3
	2018 9	3	0	0	0	0	0	3 3
OR	2016 7	0 4	4 0	0	0	0	0	4
	2017 8	4	0	0	0	0	0	4
	2018 9	4	0	0	0	0	0	4
PA	2016 7	0 3	3 0	0	0	0	0	3
	2017 8	3	0 2	0 1	0	0	0	3 4
	2018 9	3 4	2 0	0	0	0	0	4 4

State	Year	Outlets at Start of Year	Outlets Opened	Terminated	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
RI	2016 7	2	0	0	0	0	0	2
	2017 8	2	0	0	0	0	0	2
	2018 9	2	0	0	0	0	0	2
SC	2016 7	1	0	0	0	0	0	1
	2017 8	1	0	0	0	0	0	1
	2019 8	1	0	1	0	0	0	4
SD	2016 7	2	0	0	0	0	0	2
	2017 8	2	0	0	0	0	0	2
	2018 9	2	0	0	0	0	0	2
TN	2016 7	1	0	1	0	0	0	4
	2017 8	4	1	4	0	0	0	1
	2018 9	1	4	0	0	0	0	4
TX	2016 7	0	2	0	0	0	0	2
	2017 8	2	2	0	0	0	0	2
	2018 9	2	2	4	0	0	0	4
UT	2016 7	0	0	0	0	0	0	0
	2017 8	0	4	0	0	0	0	4
	2018 9	4	4	0	0	0	0	4
VT	2016 7	4	2	0	0	0	0	3
	2017 8	3	0	0	0	0	0	3
	2018 9	3	0	0	0	0	0	3
WA	2016 7	4	4	0	0	0	0	4
	2017 8	4	1	0	0	0	0	4
	2018 9	4	4	0	0	0	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Terminated	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
WI	20167	06	62	0	0	0	0	68
	20178	68	21	0	0	0	0	89
	20189	89	40	00	00	00	00	99
WY	20167	0	01	0	0	0	0	01
	20178	01	1	0	0	0	0	1
	20189	1	00	00	00	00	00	40
Total	20167	4285	433	03	0	01	0	85114
	20178	85114	3328	35	0	40	0	14436
	20189	14436	284	513	00	00	00	437128

TABLE NO. 4

**Status of Company-Owned Outlets
For years 20167 to 20189**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
All States	20167	0	0	0	0	0	0
	20178	0	0	0	0	0	0
	20189	0	0	0	0	0	0
Totals	20167	0	0	0	0	0	0
	20178	0	0	0	0	0	0
	20189	0	0	0	0	0	0

TABLE NO. 5
Projected Openings as of December 31, 201~~89~~⁹⁰

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In This Fiscal Year (20 19 ²⁰)	Projected New Company-Owned Outlet In This Fiscal Year (20 19 ²⁰)
Alabama	0	4	0
Arizona	00	22	0
California	00	22	0
Colorado	00	41	0
Florida	00	22	0
Georgia	00	22	0
Idaho	00	41	0
Illinois	00	41	0
Kansas	00	41	0
Kentucky	00	41	0
Louisiana	00	41	0
Maryland	00	41	0
Missouri	00	41	0
Montana	00	41	0
New Jersey	00	22	0
New Mexico	00	41	0
New York	00	41	0
Nevada	00	41	0
North Carolina	0	2	0
North Dakota	00	41	0
Ohio	00	41	0
Oregon	00	41	0
Oklahoma	00	41	0
Pennsylvania	00	40	0
South Carolina	00	22	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In This Fiscal Year (201920)	Projected New Company-Owned Outlet In This Fiscal Year (201920)
Tennessee	00	22	0
Texas	00	22	0
Utah	0	0	0
West Virginia	00	41	0
Wisconsin	00	41	0
TOTAL	00	3936	0

No franchisees have signed confidentiality clauses during the last three fiscal years. There are no trademark-specific franchisee organizations associated with Our franchise system.

If You purchase this franchise Your contact information may be disclosed to other buyers when You leave the franchise system.

Item 21. Financial Statements

Exhibit A contains Our Financial Statements consisting of Our audited Financial statements as of January 31, 20178, January 31, 20189, January 31, 201920. Our fiscal year ends on January 31.

Item 22. Contracts

We urge You to read all of the contracts and agreements carefully. This Franchise Disclosure Document cannot possibly contain all of the terms of the various agreements. It is important that You understand all of those terms. We have attached the following contracts and agreements:

Exhibit B - Franchise Agreement

with:

Addendum A, Location of Licensed Business

Addendum B, Territory

Addendum C, Assignment of Telephone Number

Addendum D, Personal Guaranty

Addendum E, Trade Secrets & Confidentiality Agreement

Addendum F, Mutual Termination and Release Agreement

~~Addendum G, Release From Continuing Obligations~~

Item 23. Receipts

A receipt for this Franchise Disclosure Document is attached at the end of this document. You must remove one copy, sign it and return it to Us.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENT

GoliathTech Inc.
A Canadian Corporation

Financial Statements

Non-consolidated financial
statements of
GoliathTech Inc.

January 31, 2020
(Expressed in U.S. dollars)

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Supporting schedules	21 - 23



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Independent Auditor's Report

To the Shareholders of
GoliathTech Inc.

We have audited the accompanying non-consolidated financial statements of GoliathTech Inc. (the "Company"), which comprise the non-consolidated balance sheet as of January 31, 2020, and the related non-consolidated statements of income (loss) and comprehensive income (loss), shareholders' deficiency and cash flows for the year then ended, and the related notes to the non-consolidated financial statements.

Management's Responsibility for the Non-consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the non-consolidated financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of GoliathTech Inc. as of January 31, 2020, and the results of its non-consolidated operations and its non-consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter Regarding Going Concern

The accompanying non-consolidated financial statements for the year ended January 31, 2020, have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the non-consolidated financial statements, the Company has a cumulative deficit that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2 to the non-consolidated financial statements. The non-consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Deloitte LLP

April 24, 2020

¹ CPA auditor, CA, public accountancy permit No. A127130

GoliathTech Inc.**Non-consolidated statement of income (loss) and comprehensive income (loss)**
Year ended January 31, 2020 (expressed in U.S. dollars)

	Schedules	2020 \$	2019 \$
Revenue			
Product sales	F	6,039,840	4,888,450
Franchise revenue	F	240,272	845,997
		6,280,112	5,734,447
Cost of goods sold	A and F	3,507,901	3,673,828
Gross profit		2,772,211	2,060,619
Operating expenses			
Selling expenses	B	951,765	1,015,890
General and administrative expenses	C	1,327,931	1,270,619
Financial expenses	D	335,816	329,477
		2,615,512	2,615,986
Operating income (loss)		156,699	(555,367)
Other revenue	E	35,318	65,492
Net income (loss)		192,017	(489,875)
Other comprehensive income (loss)			
Foreign currency translation adjustment		21,477	183,434
Comprehensive income (loss)		213,494	(306,441)

The accompanying notes and supporting schedules are an integral part of the non-consolidated financial statements.

GoliathTech Inc.**Non-consolidated statement of shareholders' deficiency**

Year ended January 31, 2020 (expressed in U.S. dollars)

	Capital stock	Deficit	Accumulated other comprehensive income	Total shareholders' deficiency
	\$	\$	\$	\$
Balance, January 31, 2018	854,273	(2,465,755)	90,453	(1,521,029)
Net loss for the year	-	(489,875)	-	(489,875)
Foreign currency translation adjustment	-	-	183,434	183,434
Balance, January 31, 2019	854,273	(2,955,630)	273,887	(1,827,470)
Net income for the year	-	192,017	-	192,017
Foreign currency translation adjustment	-	-	21,477	21,477
Common shares issuance	764,602	-	-	764,602
Balance, January 31, 2020	1,618,875	(2,763,613)	295,364	(849,374)

The accompanying notes and supporting schedules are an integral part of the non-consolidated financial statements.

GoliathTech Inc.**Non-consolidated balance sheet**

As of January 31, 2020 (expressed in U.S. dollars)

	Notes	2020 \$	2019 \$
Assets			
Current assets			
Cash		86,446	4,814
Accounts receivable	9	1,081,424	1,073,786
Advance to a subsidiary, without interest and without specified repayment terms		1,281	-
Sales taxes receivable		59,141	50,290
Inventories	5	1,220,558	1,323,602
Deposit and prepaid expenses		59,192	120,976
		<u>2,508,042</u>	<u>2,573,468</u>
Due from shareholders, without interest and without specified repayment terms		2,164	5,193
Long-term accounts receivable, bearing interest between 0.00% and 9.60% and without repayment terms		78,671	228,743
Investment in a subsidiary		204	-
Property, plant and equipment	6	830,267	882,254
Intangible assets	7	681,201	606,595
		<u>4,100,549</u>	<u>4,296,253</u>
Liabilities			
Current liabilities			
Bank loan	8	377,850	1,027,080
Accounts payable and accrued liabilities	9	463,452	1,324,370
Deferred revenue		-	5,000
Current portion of long-term debt	10	163,648	182,090
Current renewable portion of long-term debt	10	149,785	186,588
Current portion of obligations under capital leases	11	32,783	28,048
		<u>1,187,518</u>	<u>2,753,176</u>
Long-term debt	10	426,774	485,102
Obligations under capital leases	11	79,864	88,531
Loans from shareholders, bearing interest between 3.83% and 4.95%, payable in monthly instalments of interest, without specified repayment terms		<u>3,255,767</u>	<u>2,796,914</u>
		<u>4,949,923</u>	<u>6,123,723</u>
Commitments	15		
Shareholders' deficiency			
Share capital	12	1,618,875	854,273
Deficit		(2,763,613)	(2,955,630)
Accumulated other comprehensive income		295,364	273,887
		<u>(849,374)</u>	<u>(1,827,470)</u>
		<u>4,100,549</u>	<u>4,296,253</u>

The accompanying notes and supporting schedules are an integral part of the non-consolidated financial statements.

Approved by the Board

_____, Director

_____, Director

GoliathTech Inc.Non-consolidated statement of cash flows
Year ended January 31, 2020 (expressed in U.S. dollars)

	2020	2019
Notes	\$	\$
Operating activities		
Net income (loss)	192,017	(489,875)
Items not affecting cash:		
Amortization of property, plant and equipment	153,954	150,497
Amortization of intangible assets	71,591	65,258
Amortization of deferred transaction costs	26,388	1,730
Changes in non-cash operating working capital items	¹⁴ (726,300)	131,711
	(282,350)	(140,679)
Investing activities		
Decrease (increase) in long-term accounts receivable	148,362	(47,679)
Acquisition of property, plant and equipment	(79,920)	(200,801)
Acquisition of intangible assets	(150,170)	(140,009)
Investment in a subsidiary	(204)	-
Decrease (increase) in due from shareholders	2,991	(5,236)
	(78,941)	(393,725)
Financial activities		
(Decrease) increase in bank loan	(641,580)	322,198
Transaction costs	(28,190)	-
Decrease in due from shareholders	-	(120,722)
Increase in loans from shareholders	477,034	364,836
Increase in long-term debt	-	90,644
Repayment of long-term debt	(105,918)	(161,796)
Repayment of obligations under capital leases	(31,164)	(20,664)
Issuance of share capital	763,692	-
	433,874	474,496
Effect of exchange rate changes on cash and cash equivalents	9,049	82,501
Net increase in cash and cash equivalents	81,632	22,593
Cash and cash equivalents, beginning of year	4,814	(17,779)
Cash and cash equivalents, end of year	86,446	4,814

See additional information presented in Note 14.

The accompanying notes and supporting schedules are an integral part of the non-consolidated financial statements.

GoliathTech Inc.

Notes to the non-consolidated financial statements
January 31, 2020 (expressed in U.S. dollars)

1. Description of the business

GoliathTech Inc. (the "Company"), incorporated under the *Canada Business Corporations Act*, is a manufacturer of helical screw piles. It operates its business through franchisees in different geographic locations.

2. Going concern

The Company started its commercial operations in 2013 and has been growing significantly in the past seven years. Up until January 31, 2019, the Company had incurred recurring losses from its activities. As of January 31, 2020, and for the year then ended, the Company had a net income of \$192,017 (net loss of \$489,875 for the year ended January 31, 2019), positive working capital of \$1,320,524 (negative \$179,708 as of January 31, 2019), and an accumulated deficit of \$2,763,613 (\$2,955,630 as of January 31, 2019). The Company's ability to continue its development and commercial operations is dependent on the continued financial support of its creditors and shareholders, obtaining a satisfactory sales level, attaining profitable operations and its ability to generate sufficient cash from operations in the future. These conditions raise substantial doubt regarding the Company's ability to continue as a going concern.

In the event that the Company would not be financially supported by its creditors and shareholders in its expected growth, the Company may be required to raise additional capital or to reimburse some of the long-term debts within the next year, in order to continue the production and commercialization of its products or to sell more franchises. If the Company is unable to raise additional capital or obtain debt when required or on acceptable terms, the Company may have to reduce or delay operating expenses as deemed appropriate in order to conserve cash.

The non-consolidated financial statements as of January 31, 2020, have been prepared under the assumption that the Company will continue as a going concern for the next 12 months. The Company's ability to continue as a going concern is dependent upon its ability to generate additional revenue, obtain additional equity or debt financing or to reduce expenditures. The Company's non-consolidated financial statements as of January 31, 2020, did not include any adjustments that might result from the outcome of this uncertainty.

3. Accounting policies

The non-consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America ("US GAAP") and reflect the following significant accounting policies:

Reporting currency

The non-consolidated financial statements have been translated from their functional currency, the Canadian dollar, into the reporting currency, the U.S. dollar, using the current rate method. Under this method, as of January 31, 2020, the Company's non-consolidated assets and liabilities have been translated at the rate of US\$1 = CA\$1.3233 (US\$1 = CA\$1.3144 as of January 31, 2019) and, for the year ended January 31, 2020, the non-consolidated statements of income (loss) and comprehensive income (loss) and cash flows have been translated at the average rate for the year of US\$1 = CA\$1.3250 (2019 - US\$1 = CA\$1.3035). Exchange gains and losses arising from this translation are included in the non-consolidated statement of comprehensive income (loss) as foreign currency translation adjustment.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank overdraft.

GoliathTech Inc.

Notes to the non-consolidated financial statements:
January 31, 2020 (expressed in U.S. dollars)

3. Accounting policies (continued)

Government assistance

Government assistance is recorded in the non-consolidated financial statements when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions necessary to obtain the assistance.

The Company incurs research and development expenditures, which are eligible for investment tax credits. The recorded investment tax credits are based on management's estimates of amounts expected to be recovered and are subject to audit by taxation authorities.

Government assistance, including investment tax credits for research and development, is reflected as a reduction in the cost of the assets or expenses to which it relates.

Inventories

Raw materials, work in progress and finished goods are valued at the lower of cost or net realizable value. Cost is determined on the first-in, first-out basis. The cost of work in progress and finished goods includes the cost of raw materials and the applicable share of the cost of labour and fixed and variable production overheads.

Fair value measurements

The Company applies (ASC) ASC20, *Fair Value Measurements and Disclosures*, which defines fair value and establishes a framework for measuring fair value and making disclosures about fair value measurements. (ASC) ASC20 establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is impacted by a number of factors, including the type of financial instruments and the characteristics specific to them. Financial instruments with readily available quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I – A quoted price in an active market provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level II – Pricing inputs are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level III – Pricing inputs are unobservable inputs for the financial instruments and include situations where there is little, if any, market activity for them. The inputs into the determination of fair value require significant management judgment or estimation.

GoliathTech Inc.

Notes to the non-consolidated financial statements
January 31, 2020 (expressed in U.S. dollars)

3. Accounting policies (continued)

Fair value of financial instruments

The carrying amounts of cash, bank loan, accounts receivable, accounts payable and accrued liabilities and current portion of long-term debt are a reasonable estimate of their fair values because of their short-term maturity.

Transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then amortized over the expected life of the instrument using the straight line method which approximates the effective interest method.

The carrying value of long-term debt excluding reduction for deferred transaction costs approximates fair value as the terms and conditions are comparable to those that the Company could get on the market. As for the loans from shareholders, since the repayment terms are not fixed or determined, the fair value of the loans cannot be determined.

Investment in a subsidiary

The Company accounts for its investment in a non-consolidated subsidiary using the cost method. Under the cost method, the investment is initially measured at the acquisition-date fair value of the consideration transferred to the other party in exchange for the investment.

Acquisition-related costs are recognized as expenses in the period incurred, with the exception of costs to issue debt and equity securities. Earnings from the investment are recognized in net income only to the extent that they are received or receivable.

The Company assesses its investments accounted for using the cost method for any indications of impairment at each reporting period-end. The Company recognizes in net income an impairment loss when it determines that there is an indicator of impairment and a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the investment. The impairment loss is measured as the excess of the carrying amount of the investment over the higher of either the present value of future cash flows or the amount that could be realized by selling the asset at the non-consolidated balance sheet date. When the extent of impairment of a previously written-down investment decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent of the improvement, in net income in the period the reversal occurs.

Property, plant and equipment

Property, plant and equipment are recorded at cost. Amortization is calculated based on the following methods:

Computer equipment	Diminishing balance	30%
Leasehold improvements	Straight-line	10 years
Office furniture	Diminishing balance	20%
Plant equipment	Diminishing balance	15%
Plant furniture	Diminishing balance	20%
Plant tools	Diminishing balance	20%
Production equipment	Diminishing balance	20%
Rolling stock	Diminishing balance	30%
Signs	Diminishing balance	20%

GoliathTech Inc.

Notes to the non-consolidated financial statements
January 31, 2020 (expressed in U.S. dollars)

3. Accounting policies (continued)

Intangible assets

Intangible assets are recorded at cost. Amortization is calculated based on the following methods:

Certification	Straight-line	20 years
Patents	Straight-line	20 years
Software	Diminishing balance	30%
Trademark	Straight-line	10 years

Impairment of long-lived assets

Long-lived assets such as property, plant and equipment and intangible assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from the use and eventual disposition of the item. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value at the date of impairment.

Income taxes

The Company accounts for its income taxes using the asset and liability method, whereby deferred tax assets and liabilities are determined based on temporary differences between the bases used for financial reporting and income tax reporting purposes. Deferred income taxes are provided based on the enacted tax rates in effect at the time such temporary differences are expected to reverse. A valuation allowance is provided for deferred tax assets if it is more likely than not that the Company will not realize those tax assets through future operations.

The Company recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

The Company recognizes interest and penalties related to income tax matters in income tax expense.

Foreign currency translation

Transactions concluded in currencies other than the functional currency are translated at the exchange rates in effect at the end of the year for monetary assets and liabilities, at historical rates for non-monetary items, and revenues and expenses are translated at the average rate for the year. Exchange gains and losses arising from such transactions have been included in the non-consolidated statement of income (loss) and comprehensive income (loss).

GoliathTech Inc.

Notes to the non-consolidated financial statements
January 31, 2020 (expressed in U.S. dollars)

3. Accounting policies (continued)

Revenue recognition

A) Initial franchise fees

Initial franchise fees (including initial equipment and training) relates to the sale of an individual franchise or an area franchise. Revenue is recognized based on the various performance obligations. Performance obligations exist when:

- A contract includes promises to transfer goods or services to a customer;
- If those goods or services are distinct, the promises are performance obligations and are accounted for separately;
- A good or service is distinct if the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the Company's promise to transfer the good or the service to the customer is separately identifiable from other promises in the contract;
- Promises to provide services might be implied by the Company's customary business practice if those practices create a reasonable expectation to the customer that the entity will transfer a service.

The performance obligations include training, the equipment to start their operations and the right to perform work under the name of the franchise. An allocation of the transaction price to the performance obligations in the contract is performed whereby the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised services. The transaction price allocated to the training and to the initial equipment is estimated using a cost approach.

The Company recognizes revenue when they have satisfied a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. The right to operate under the name of the franchise is recognized predominantly at the time of billing and delivery rather than ratably over the life of the franchise term.

There are 195 franchises and territories in operation as of January 31, 2020 (201 in 2019).

B) Product sales

The Company recognizes revenue when they have satisfied the performance obligation by transferring the promised good (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset.

Deferred revenue

Deferred revenue consists of unfulfilled obligations due to franchisees and payments received from the franchisees for the purchase of goods not delivered as at year-end.

3. Accounting policies (continued)

Use of estimates

The preparation of non-consolidated financial statements in conformity with US 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 non-consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management reviews its estimates on an ongoing basis, particularly as they relate to accounting for useful lives of property, plant and equipment, impairment of long-lived assets, valuation of intangible assets and the cost and net realizable value of inventories, based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results could differ from those estimates.

New accounting pronouncement applied in the current year

A) Revenue from contracts with customers

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. The core principle of this guideline is that an entity should recognize revenue, to depict the transfer of promised goods or services to customers, in an amount that reflects the consideration to which the entity is entitled, in exchange for those goods or services. Guidance in this section supersedes the revenue recognition requirements found in ASC 605, *Revenue Recognition*. (ASU) 2014-09 requires disclosure on information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. This standard applied to the Company's 2020 fiscal year for both product sales and franchise revenue. The application of this standard did not have any impact on the Company's non-consolidated financial statements.

Future accounting pronouncements not yet in application

A) Leases with terms of more than 12 months

In February 2016, the FASB issued Accounting Standards Update No. 2016-02 ("ASU 2016-02") *Leases (Topic 842)*. ASU 2016-02 requires a lessee to recognize a liability for its lease obligation and an asset for its right to use the underlying asset under lease for leases with terms of more than 12 months. In addition, ASU 2016-02 eliminates certain prescriptive requirements for lease classification, and aligns certain of the underlying principles of the lessor revenue recognition model with ASU 2014-09. ASU 2016-02 requires entities to recognize and measure leases under the new guidance at the beginning of the earliest period presented using a modified retrospective approach. In July 2018, the FASB issued Accounting Standards Update No. 2018-11 ("ASU 2018-11"), *Leases (Topic 842) : Targeted Improvements*, which allows for an additional and optional transition method under which an entity would record a cumulative-effect adjustment at the beginning of the period of the adoption. ASU 2016-02 and ASU 2018-11 are effective for the Company for the fiscal year ending January 31, 2023, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2016-02 and ASU 2018-11.

B) Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued Accounting Standard Update No. 2016-13 ("ASU 2016-13"), *Financial Instruments - Credit Losses (Topic 326) : Measurement of Credit Losses on Financial Instruments* and in November 2018 issued a subsequent amendment, Accounting Standards Update, 2018-19 ("ASU 2018-19"), *Codification Improvements to Topic 326, Financial Instruments - Credit Losses*. For instruments measured at amortized cost, ASU 2016-13 replaces the current incurred loss approach to estimating credit losses with an expected loss approach and updates the related disclosure requirements. ASU 2016-13 and 2018-19 are effective for the Company for the year ending January 31, 2024, with early adoption permitted. The Company has not yet determined the impact of the application of this new standard.

GoliathTech Inc.

Notes to the non-consolidated financial statements
January 31, 2020 (expressed in U.S. dollars)

4. Accounts receivable

	2020	2019
	\$	\$
Trade accounts receivable	1,016,821	1,017,109
Allowance for doubtful accounts	(54,894)	-
Government assistance receivable	119,497	56,677
	<u>1,081,424</u>	<u>1,073,786</u>

5. Inventories

	2020	2019
	\$	\$
Raw materials	159,022	274,781
Work in progress	283,806	277,961
Finished goods	777,730	770,860
	<u>1,220,558</u>	<u>1,323,602</u>

6. Property, plant and equipment

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
	\$	\$	\$	\$
Computer equipment	73,980	41,472	32,508	30,312
Leasehold improvements	228,105	76,565	151,540	178,765
Office furniture	62,226	37,178	25,048	31,526
Plant equipment	593,022	277,632	315,390	364,892
Plant furniture	122,998	48,541	74,457	37,373
Plant tools	130,550	87,614	42,936	54,036
Production equipment	48,076	18,964	29,112	36,640
Rolling stock	56,794	11,423	45,371	19,603
Signs	4,758	2,275	2,483	3,120
	<u>1,320,509</u>	<u>601,664</u>	<u>718,845</u>	<u>756,267</u>
Assets under capital leases				
Plant equipment	130,678	56,588	74,090	87,755
Leasehold improvements	38,619	1,287	37,332	38,232
	<u>169,297</u>	<u>57,875</u>	<u>111,422</u>	<u>125,987</u>
	<u>1,489,806</u>	<u>659,539</u>	<u>830,267</u>	<u>882,254</u>

Accumulated amortization of property, plant and equipment as of January 31, 2019, was \$508,811.

GoliathTech Inc.

Notes to the non-consolidated financial statements
January 31, 2020 (expressed in U.S. dollars)

7. Intangible assets

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
	\$	\$	\$	\$
Certification	319,558	31,272	288,286	242,733
Patents	296,275	35,766	260,509	205,935
Software	238,006	149,898	88,108	107,648
Trademark	99,699	55,401	44,298	50,279
	953,538	272,337	681,201	606,595

Accumulated amortization of intangible assets as of January 31, 2019, was \$202,015.

8. Bank loan

The Company has an authorized line of credit of CA\$1,350,000 (US\$1,020,195) (CA\$1,350,000 (US\$1,027,080) in 2019), at the prime rate plus 2.85% (6.80% as at January 31, 2020) (at prime rate plus 0.85% (4.80% as at January 31, 2019)), of which CA\$850,000 (US\$642,345) (nil in 2019) remained unused at year-end.

The Company also has an authorized derivative financial instrument global line of credit of CA\$300,000 (US\$226,710) (CA\$300,000 (US\$228,240) in 2019), of which CA\$300,000 (US\$226,710) (CA\$300,000 (US\$228,240) in 2019) remained unused at year-end.

The two lines of credit are secured by a first-rank mortgage of CA\$2,500,000 (US\$1,889,250) on all assets, tangible and intangible, present and future of the Company, by a first-rank mortgage of CA\$760,000 (US\$574,332) on the property located at 1402 Chemin des Pères in Magog (Québec) and by a suretyship of CA\$400,000 (US\$302,280) given by a shareholder.

Under the terms of the lines of credit and risk, the Company must meet certain financial and non-financial covenants. As at January 31, 2020, a covenant is not met, but the Company has obtained a waiver from the bank.

9. Accounts payable and accrued liabilities

	2020	2019
	\$	\$
Trade accounts payable	324,535	1,203,645
Accrued liabilities	9,479	8,952
Government remittances payable	1,399	146
Wages payable	128,039	111,627
	463,452	1,324,370

GoliathTech Inc.
Notes to the non-consolidated financial statements
January 31, 2020 (expressed in U.S. dollars)

10. Long-term debt

	2020	2019
	\$	\$
Loan of an original amount of CA\$150,000, bearing interest at 7.10%, reimbursed in full in 2020	-	18,840
Loan of an original amount of CA\$85,964, bearing interest at the prime rate plus 2.25% (6.20% as at January 31, 2020), payable in monthly instalments of principal of CA\$1,433, renewable annually, maturing in January 2023(3)(5)	46,557	53,411
Loan of an original amount of CA\$150,000, bearing interest at 9.00%, payable in monthly instalments of principal and interest of CA\$2,692, maturing in June 2022(4)	59,211	72,243
Loan of an original amount of CA\$384,482, bearing interest at the prime rate plus 2.25% (6.20% as at January 31, 2020; 4.60% as at January 31, 2019), payable in monthly instalments of principal of CA\$6,408, renewable annually, maturing in June 2022(3)(5)	174,332	204,760
Loan of an original amount of CA\$32,194, bearing interest at 4.74%, payable in monthly instalments of principal and interest of CA\$540, maturing in June 2023(6)	15,319	19,484
Loan of an original amount of CA\$19,905, bearing interest at 5.55%, payable in monthly instalments of principal and interest of CA\$292, maturing in July 2023	8,411	10,603
Loan of an original amount of CA\$700,000, bearing interest at 10.00%, payable in monthly instalments of principal of CA\$7,295, maturing in May 2026(1) (2)	451,810	488,160
	755,640	867,501
Less: Deferred transaction costs	(15,433)	(13,721)
	740,207	853,780
Current portion	163,648	182,090
Current renewable portion	149,785	186,588
	426,774	485,102

Principal payments required in each of the next five years, assuming the debt is renewed, are as follows:

	\$
2021	163,648
2022	165,848
2023	162,020
2024	76,930
2025	66,154

GoliathTech Inc.

Notes to the non-consolidated financial statements
January 31, 2020 (expressed in U.S. dollars)

10. Long-term debt (continued)

(1) As per the loan agreement, an amount of CA\$200,700 (US\$151,669) with respect to the loans from shareholder cannot be reimbursed unless certain financial ratios and reimbursement conditions have been met. As at January 31, 2020, those covenants and conditions have been met.

(2) The loan is secured by a principal mortgage of CA\$700,000 (US\$528,990) and an additional mortgage of CA\$140,000 (US\$105,798) on all assets, tangible and intangible, present and future of the Company and by a suretyship of CA\$350,000 (US\$264,495) given by a shareholder.

(3) The Company is required to comply with certain financial and non-financial covenants. As at January 31, 2020, a covenant is not met, but the Company has obtained a waiver from the bank.

(4) The loan is secured by a mortgage on the property located at 1516 chemin Ivory, Magog, Québec, and by a suretyship given by a shareholder.

(5) The loan is secured by a first-rank mortgage of CA\$2,500,000 (US\$1,889,250) on all assets, tangible and intangible, present and future of the Company and by a suretyship of CA\$400,000 (US\$302,280) given by a shareholder.

(6) The loan is secured by a rolling stock with a net book value of CA\$16,326 (US\$12,338).

11. Obligations under capital leases

	2020	2019
	\$	\$
Equipment lease contract, of an original amount of CA\$51,104, payable in monthly instalments of CA\$1,483 including interest, bearing interest at 12.06%, maturing in April 2022	26,843	35,516
Equipment lease contract, of an original amount of CA\$20,674, payable in monthly instalments of CA\$483 including interest, bearing interest at 6.29%, maturing in May 2022	8,866	12,647
Equipment lease contract, of an original amount of CA\$136,179, payable in monthly instalments of CA\$1,947 including interest, bearing interest at 5.73%, maturing in May 2023	53,672	68,416
Equipment lease contract, of an original amount of CA\$37,119, payable in monthly instalments of CA\$781 including interest, bearing interest at 5.24%, maturing in January 2024	23,266	~
	112,647	116,579
Current portion	32,783	28,048
	79,864	88,531

GoliathTech Inc.

Notes to the non-consolidated financial statements
January 31, 2020 (expressed in U.S. dollars)

11. Obligations under capital leases (continued)

Future minimum lease payments under the capital leases in each of the next four years are as follows:

	\$
2021	42,562
2022	42,562
2023	27,714
2024	<u>7,908</u>
	120,746
Interest included in minimum payments	<u>8,099</u>
	<u>112,647</u>

12. Share capital

Authorized

Class A shares, voting, dividends and participating

Class B shares, voting, non-participating, liquidation and wind-up, automatic buyback at death, purchase, right of veto

Class C shares, non-voting, monthly preferred dividends, non-participating, liquidation and wind-up, redeemable, purchase, right of veto

Class D shares, non-voting, monthly preferred dividends, non-participating, liquidation and wind-up, redeemable, purchase, right of veto

Class E shares, non-voting, annual preferred dividends, non-participating, liquidation and wind-up, redeemable, purchase, right of veto

Class F shares, non-voting, dividends, non-participating, liquidation and wind-up, unilaterally redeemable, purchase, right of veto

Issued and paid

An unlimited number of common shares, without par value

	2020	2019
	\$	\$
154 Common shares (143 in 2019)	<u>1,618,875</u>	854,273

During the year, the Company issued 11 common shares for a cash consideration of CA\$1,011,780 (US\$764,602).

GoliathTech Inc.

Notes to the non-consolidated financial statements
January 31, 2020 (expressed in U.S. dollars)

13. Income taxes

The Company has income tax losses which may be used to reduce future years' taxable income. The benefits resulting from these tax losses have not been recognized in the non-consolidated financial statements. These losses expire as follows:

	\$
2034	353,868
2035	779,419
2036	286,017
2037	341,154
2038	715,508
2039	603,663

14. Supplementary information to the statement of cash flows

	2020	2019
	\$	\$
<i>Changes in non-cash operating working capital items</i>		
Accounts receivable	(14,819)	10,442
Advance to a subsidiary	(1,279)	-
Sales taxes receivable	(9,178)	(353)
Inventories	94,061	(168,088)
Deposit and prepaid expenses	60,901	(53,605)
Accounts payable and accrued liabilities	(851,025)	342,989
Deferred revenue	(4,961)	326
	<u>(726,300)</u>	<u>131,711</u>

Non-cash transactions

During the year, property, plant and equipment of \$28,051 was acquired, of which an amount of \$28,051 was financed by the seller, and which did not have an impact on the non-consolidated statement of cash flows.

15. Commitments

The Company leases equipment under an operating lease that expires on September 16, 2021. Future lease payments aggregate to \$7,996 and include the following minimum payments over the next two years:

	\$
2021	4,797
2022	3,199

GoliathTech Inc.

Notes to the non-consolidated financial statements
January 31, 2020 (expressed in U.S. dollars)

16. Financial instruments

Market risk

Market risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. Market risk affecting the Company is comprised of currency risk and interest rate risk. The Company is exposed to certain of these risks, as described below.

a) Currency risk

The Company, whose functional currency is the Canadian dollar, realizes approximately 68% of its sales in U.S. dollars (59% in 2019) and is thus exposed to foreign exchange fluctuations. The Company does not actively manage this risk.

The balance sheet includes the following amounts expressed in U.S. dollars with respect to financial assets and liabilities for which cash flows are denominated in the following currencies:

	2020	2019
	\$	\$
U.S. dollar		
Cash	90,856	4,084
Trade accounts receivable	892,224	941,757
Trade accounts payable	43,889	26,720
Euro		
Trade account receivable	21,221	21,778

b) Interest rate risk

The bank loan bears interest at a variable rate. The long-term debt bears interest at variable and fixed rates. The loans from shareholders bear interest at a fixed rate. The fixed-rate loans subject the Company to a fair value risk, while the variable-rate loans subject it to a cash flow risk.

Credit risk

The Company provides credit to its customers in the normal course of its operations. It carries out, on a continuing basis, credit checks on its customers and maintains an allowance for doubtful accounts.

Liquidity risk

The Company's objective is to have sufficient liquidity to meet its liabilities when due. The Company monitors its cash balances and cash flows generated from operations to meet its requirements. As at January 31, 2020, the most significant financial liabilities are the bank loan, accounts payable and accrued liabilities, long-term debt and loans from shareholders.

GoliathTech Inc.

Notes to the non-consolidated financial statements
January 31, 2020 (expressed in U.S. dollars)

17. Subsequent event

Subsequent to the year-end, on March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. In addition, on March 23, 2020, with the exception of certain essential services, the Quebec government ordered the closure of all Quebec businesses and stores until April 13, 2020; and then extended until May 4, 2020. The Company is considered an essential service therefore its operations have not been significantly affected. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods.

GoliathTech Inc.

Supporting schedules

Year ended January 31, 2020 (expressed in U.S. dollars)

Cost of goods sold – Schedule A

	2020	2019
	\$	\$
Inventories, beginning of year	1,323,602	1,237,042
Purchases	2,033,213	2,135,014
	<u>3,356,815</u>	<u>3,372,056</u>
Inventories, end of year	<u>(1,220,558)</u>	<u>(1,323,602)</u>
	<u>2,136,257</u>	<u>2,048,454</u>
Direct wages and employee benefits	564,522	699,468
Equipment costs	64,729	119,718
Subcontracts	12,780	5,045
	<u>642,031</u>	<u>824,231</u>
Other costs		
Energy	73,730	69,757
Factory rent	193,308	207,517
Professional fees	76,080	91,094
Repairs, maintenance and equipment rental	20,019	66,355
Property taxes	54,853	51,815
Supplies	199,150	197,107
Freight	8,234	12,334
Amortization of property, plant and equipment	104,239	105,164
	<u>729,613</u>	<u>801,143</u>
	<u>3,507,901</u>	<u>3,673,828</u>

Selling expenses – Schedule B

	2020	2019
	\$	\$
Salaries and wages	403,615	443,949
Advertising and promotion	81,689	85,636
Insurance	13,523	9,678
Selling commissions – Franchises	50,798	78,671
Selling commissions – Product sales	60,969	64,581
Shipping expenses	218,074	184,439
Travel expenses	123,097	148,936
	<u>951,765</u>	<u>1,015,890</u>

GoliathTech Inc.**Supporting schedules**

Year ended January 31, 2020 (expressed in U.S. dollars)

General and administrative expenses – Schedule C

	2020	2019
	\$	\$
Salaries and wages	499,543	505,144
Bad debts	35,755	36,064
Computer-related expenses	61,907	80,029
Electricity	12,342	6,329
Factory rental	26,725	33,110
Insurance	71,130	64,551
Office expenses	48,641	38,167
Professional fees	221,595	359,349
Property taxes	45,495	9,499
Research and development expenses, net of credit	154,598	-
Telecommunications	23,087	21,453
Training and dues	5,807	6,333
Amortization of property, plant and equipment	49,715	45,333
Amortization of intangible assets	71,591	65,258
	<u>1,327,931</u>	<u>1,270,619</u>

Financial expenses – Schedule D

	2020	2019
	\$	\$
Interest on long-term debt	130,181	80,472
Interest on loan from shareholders	115,693	107,866
Other financial expenses	89,942	141,139
	<u>335,816</u>	<u>329,477</u>

Other revenue – Schedule E

	2020	2019
	\$	\$
Foreign exchange (loss) gain	(2,473)	54,267
Interest income	37,791	11,225
	<u>35,318</u>	<u>65,492</u>

GoliathTech Inc.

Supporting schedules

Year ended January 31, 2020 (expressed in U.S. dollars)

Revenue and cost of goods sold – Schedule F

	Revenue	Cost	2020 Gross profit
	\$	\$	\$
Product sales	6,039,840	3,400,709	2,639,131
Franchise revenue	240,272	107,192	133,080
	<u>6,280,112</u>	<u>3,507,901</u>	<u>2,772,211</u>

	Revenue	Cost	2019 Gross profit
	\$	\$	\$
Product sales	4,888,450	3,516,779	1,371,671
Franchise revenue	845,997	157,049	688,948
	<u>5,734,447</u>	<u>3,673,828</u>	<u>2,060,619</u>

Financial statements of
GoliathTech Inc.

January 31, 2019
(Expressed in U.S. dollars)

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Independent Auditors' Report

To the Shareholders of
GoliathTech Inc.

We have audited the accompanying financial statements of GoliathTech Inc., which comprise the balance sheet as of January 31, 2019, and the related statements of loss and comprehensive loss, shareholders' deficiency and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Emphasis of Matter Regarding Going Concern

The accompanying financial statements for the year ended January 31, 2019, have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company incurred a net loss of \$489,875 during the year ended January 31, 2019, and has a shareholders' deficiency that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Deloitte LLP,¹

April 30, 2019

¹ CPA auditor, CA, public accountancy permit No. A127130

GoliathTech Inc.
Statement of loss and comprehensive loss
Year ended January 31, 2019 (expressed in U.S. dollars)

		2019	2018
	Schedules	<u>\$</u>	<u>\$</u>
Revenue			
Product sales	F	4,888,450	3,889,627
Franchise revenue	F	845,997	1,173,974
		<u>5,734,447</u>	5,063,601
Cost of goods sold	A and F	3,673,828	2,758,419
Gross profit		<u>2,060,619</u>	2,305,182
Operating expenses			
Selling expenses	B	1,015,890	1,107,730
General and administrative expenses	C	1,270,619	1,083,603
Financial expenses	D	329,477	298,028
		<u>2,615,986</u>	2,489,361
Operating loss		(555,367)	(184,179)
Other revenues (expenses)	E	65,492	(279,695)
Net loss		<u>(489,875)</u>	(463,874)
Other comprehensive loss			
Foreign currency translation adjustment		<u>183,434</u>	(194,923)
Comprehensive loss		<u>(306,441)</u>	(658,797)

The accompanying notes and supporting schedules are an integral part of the financial statements.

GoliathTech Inc.
Statement of shareholders' deficiency
Year ended January 31, 2019 (expressed in U.S. dollars)

	Capital stock	Deficit	Accumulated other comprehensive income	Total shareholders' deficiency
	\$	\$	\$	\$
Balance, January 31, 2017	98	(2,001,881)	285,376	(1,716,407)
Net loss for the year	-	(463,874)	-	(463,874)
Foreign currency translation adjustment	-	-	(194,923)	(194,923)
Common shares issuance	854,175	-	-	854,175
Balance, January 31, 2018	854,273	(2,465,755)	90,453	(1,521,029)
Net loss for the year	-	(489,875)	-	(489,875)
Foreign currency translation adjustment	-	-	183,434	183,434
Balance, January 31, 2019	854,273	(2,955,630)	273,887	(1,827,470)

The accompanying notes and supporting schedules are an integral part of the financial statements.

GoliathTech Inc.**Balance sheet**

As at January 31, 2019 (expressed in U.S. dollars)

	2019	2018
Notes	\$	\$
Assets		
Current assets		
Cash	4,814	-
Accounts receivable	4 1,073,786	1,159,238
Sales taxes receivable	50,290	53,399
Inventories	5 1,323,602	1,237,042
Deposit and prepaid expenses	120,976	72,511
	<u>2,573,468</u>	2,522,190
Due from shareholders, no interest and without specified repayment terms	5,193	-
Long-term accounts receivable, bearing interest between 0.00% and 9.60% and without repayment terms	228,743	194,027
Property, plant and equipment	6 882,254	831,633
Intangible assets	7 606,595	569,346
	<u>4,296,253</u>	4,117,196
Liabilities		
Current liabilities		
Bank overdraft	-	17,779
Bank loan	8 1,027,080	756,555
Accounts payable and accrued liabilities	9 1,324,370	1,052,389
Deferred revenue	5,000	5,000
Current portion of long-term debt	10 182,090	153,247
Current renewable portion of long-term debt	10 186,588	218,943
Current portion of obligations under capital leases	11 28,048	14,812
	<u>2,753,176</u>	2,218,725
Long-term debt	10 485,102	614,349
Obligations under capital leases	11 88,531	73,364
Due to shareholders, paid during the year	-	128,018
Loan from shareholders, bearing interest at 3.83%, payable in monthly instalments of interest, without specified repayment terms	2,796,914	2,603,769
	<u>6,123,723</u>	5,638,225
Commitments	15	
Shareholders' deficiency		
Share capital	12 854,273	854,273
Deficit	(2,955,630)	(2,465,755)
Accumulated other comprehensive income	273,887	90,453
	<u>(1,827,470)</u>	(1,521,029)
	<u>4,296,253</u>	4,117,196

The accompanying notes and supporting schedules are an integral part of the financial statements.

Approved by the Board

 _____, Director
 _____, Director

GoliathTech Inc.
Statement of cash flows
Year ended January 31, 2019 (expressed in U.S. dollars)

	2019	2018
Notes	\$	\$
Operating activities		
Net loss	(489,875)	(463,874)
Items not affecting cash:		
Amortization of property, plant and equipment	150,497	122,278
Amortization of intangible assets	65,258	44,865
Amortization of deferred financing costs	1,730	4,858
Changes in non-cash operating working capital items	14 131,711	(232,322)
	(140,679)	(524,195)
Investing activities		
Changes in long-term accounts receivable	(47,679)	136,958
Acquisition of property, plant and equipment	(200,801)	(219,076)
Acquisition of intangible assets	(140,009)	(372,809)
Increase in due from shareholders	(5,236)	-
	(393,725)	(454,927)
Financial activities		
Increase in bank loan	322,198	718,324
Financing costs	-	(17,097)
Changes in due to shareholders	(120,722)	129,749
Increase in loan to shareholders	364,836	-
Increase in long-term debt	90,644	837,645
Repayment of long-term debt	(161,796)	(955,688)
Repayment of obligations under capital leases	(20,664)	(15,863)
Issuance of share capital	-	811,011
	474,496	1,508,081
Effect of exchange rate changes on cash and cash equivalents	82,501	(69,555)
Net increase of cash and cash equivalents	22,593	459,404
Cash and cash equivalents, beginning of year	(17,779)	(477,183)
Cash and cash equivalents, end of year	4,814	(17,779)

The accompanying notes and supporting schedules are an integral part of the financial statements.

See additional information presented in Note 14.

GoliathTech Inc.
Notes to the financial statements
January 31, 2019 (expressed in U.S. dollars)

1. Description of the business

GoliathTech Inc. (the "Company"), incorporated under the *Canada Business Corporations Act*, is a manufacturer of helical screw piles. It operates its business through franchisees in different geographic locations.

2. Going concern

The Company started its commercial operations in 2013 and has been growing significantly in the past six years. The Company has incurred recurring losses from its past activities since inception. As of January 31, 2019, and for the year then ended, the Company had negative working capital of \$179,708 (positive \$303,465 as of January 31, 2018), an accumulated deficit of \$2,955,630 (\$2,465,755 as of January 31, 2018) and a net loss of \$489,875 (\$463,874 for the year ended January 31, 2018). The Company's ability to continue its development and commercial operations is dependent of the continued financial support of its creditors and shareholders, obtaining a satisfactory sales level, attaining profitable operations and its ability to generate sufficient cash from operations in the future. These conditions raise substantial doubt regarding the Company's ability to continue as a going concern.

In the event that the Company would not be financially supported by its creditors and shareholders in its expected growth, the Company may be required to raise additional capital or to reimburse some of the long-term debts within the next year, in order to continue the production and commercialization of its products or to sell more franchises. If the Company is unable to raise additional capital or obtain debt when required or on acceptable terms, the Company may have to reduce or delay operating expenses as deemed appropriate in order to conserve cash.

The financial statements as of January 31, 2019, have been prepared under the assumption that the Company will continue as a going concern for the next 12 months. The Company's ability to continue as a going concern is dependent upon its ability to generate additional revenue, obtain additional equity or debt financing or to reduce expenditures. The Company's financial statements as of January 31, 2019, did not include any adjustments that might result from the outcome of this uncertainty.

3. Accounting policies

The financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America ("US GAAP") and reflect the following significant accounting policies:

Reporting currency

The financial statements have been translated from their functional currency, the Canadian dollar, into the reporting currency, the U.S. dollar, using the current rate method. Under this method, as of January 31, 2019, the Company's assets and liabilities have been translated at the rate of US\$1 = CA\$1.3144 (US\$1 = CA\$1.2293 as of January 31, 2018) and, for the year ended January 31, 2019, the statements of loss and comprehensive loss and cash flows have been translated at the average rate for the year of US\$1 = CA\$1.3035 (2018 - US\$1 = CA\$1.2947). Exchange gains and losses arising from this translation are included in the statement of comprehensive loss as foreign currency translation adjustment.

GoliathTech Inc.
Notes to the financial statements
January 31, 2019 (expressed in U.S. dollars)

3. Accounting policies (continued)

Subsequent events

Management evaluates events and transactions that occur after the balance sheet date as potential subsequent events. Management performed this evaluation through April 30, 2019, the date on which the financial statements were available to be issued.

Foreign currency translation

Transactions concluded in currencies other than the functional currency are translated at the exchange rates in effect at the end of the year for monetary assets and liabilities, at historical rates for non-monetary items, and revenues and expenses are translated at the average rate for the year. Exchange gains and losses arising from such transactions have been included in the statement of loss and comprehensive loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank overdraft.

Inventories

Raw materials, work in progress and finished goods are valued at the lower of cost or net realizable value. Cost is determined on the first-in, first-out basis. The cost of work in progress and finished goods includes the cost of raw materials and the applicable share of the cost of labour and fixed and variable production overheads.

Fair value measurements

The Company applies (ASC) ASC20, *Fair Value Measurements and Disclosures*, which defines fair value and establishes a framework for measuring fair value and making disclosures about fair value measurements. (ASC) ASC20 establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is impacted by a number of factors, including the type of financial instruments and the characteristics specific to them. Financial instruments with readily available quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I – A quoted price in an active market provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level II – Pricing inputs are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level III – Pricing inputs are unobservable inputs for the financial instruments and include situations where there is little, if any, market activity for them. The inputs into the determination of fair value require significant management judgment or estimation.

GoliathTech Inc.
Notes to the financial statements
 January 31, 2019 (expressed in U.S. dollars)

3. Accounting policies (continued)

Fair value of financial instruments

The carrying amounts of cash, bank overdraft, bank loan, accounts receivable, accounts payable and accrued liabilities and current portion of long-term debt are a reasonable estimate of their fair values because of their short-term maturity.

Transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then amortized over the expected life of the instrument using the straight line method which approximates the effective interest method.

The carrying value of long-term debt excluding reduction for deferred financing costs approximates fair value as the terms and conditions are comparable to those that the Company could get on the market.

Property, plant and equipment

Property, plant and equipment are recorded at cost. Amortization is calculated based on the following methods:

Computer equipment	Diminishing balance	30%
Leasehold improvements	Straight-line	10 years
Office furniture	Diminishing balance	20%
Plant equipment	Diminishing balance	15%
Plant furniture	Diminishing balance	20%
Plant tools	Diminishing balance	20%
Production equipment	Diminishing balance	20%
Rolling stock	Diminishing balance	30%
Signs	Diminishing balance	20%

Intangible assets

Intangible assets are recorded at cost. Amortization is calculated based on the following methods:

Certification	Straight-line	20 years
Patents	Straight-line	20 years
Software	Diminishing balance	30%
Trademark	Straight-line	10 years

Impairment of long-lived assets

Long-lived assets such as property, plant and equipment and intangible assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from the use and eventual disposition of the item. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value at the date of impairment.

GoliathTech Inc.
Notes to the financial statements
January 31, 2019 (expressed in U.S. dollars)

3. Accounting policies (continued)

Income taxes

The Company accounts for its income taxes using the asset and liability method, whereby deferred tax assets and liabilities are determined based on temporary differences between the bases used for financial reporting and income tax reporting purposes. Deferred income taxes are provided based on the enacted tax rates in effect at the time such temporary differences are expected to reverse. A valuation allowance is provided for deferred tax assets if it is more likely than not that the Company will not realize those tax assets through future operations.

The Company recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Company recognizes interest and penalties related to income tax matters in income tax expense.

Revenue recognition

A) Initial franchise fees

Initial franchise fees (including initial equipment and training) relating to the sale of an individual franchise or an area franchise is recognized when all material conditions relating to the sale have been substantially performed by the Company, and collection is reasonably assured.

Material conditions relating to the sale are performed when :

- a. the Company has performed substantially all of the initial services required by the franchise agreement;
- b. the Company has no remaining obligation to refund amounts received or forgive unpaid amounts owing; and,
- c. there are no other material unfulfilled conditions affecting completion of the sale.

There are 201 franchises and territories in operation as of January 31, 2019 (168 in 2018).

B) Product sales

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured.

Deferred revenue

Deferred revenue consists of unfulfilled obligations due to franchisees and payments received from the franchisees for the purchase of goods not delivered as at year-end.

Use of estimates

The preparation of financial statements in conformity with US 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. Management reviews its estimates on an ongoing basis, particularly as they relate to accounting for useful lives of property, plant and equipment, impairment of long-lived assets, income taxes and related valuation, valuation of intangible assets and the cost and net realizable value of inventories, based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results could differ from those estimates.

GoliathTech Inc.
Notes to the financial statements
 January 31, 2019 (expressed in U.S. dollars)

3. Accounting policies (continued)

New accounting pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standardsetting bodies that are adopted by the Company as of the specified effective date.

Revenue from contracts with customers

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. The core principle of this guideline is that an entity should recognize revenue, to depict the transfer of promised goods or services to customers, in an amount that reflects the consideration to which the entity is entitled, in exchange for those goods or services. Guidance in this section supersedes the revenue recognition requirements found in ASC 605, *Revenue Recognition*. The amendment will be effective for the Company for the fiscal year ending January 31, 2020. The Company has not yet assessed the impact of this update on its financial statements.

Leases with terms of more than 12 months

In February 2016, the FASB issued Accounting Standards Update No. 2016-02 ("ASU 2016-02"). ASU 2016-02 requires a lessee to recognize a liability for its lease obligation and an asset for its right to use the underlying asset under lease for leases with terms of more than 12 months. In addition, ASU 2016-02 eliminates certain prescriptive requirements for lease classification, and aligns certain of the underlying principles of the lessor revenue recognition model with ASU 2014-09. ASU 2016-02 is effective for the Company for the fiscal year ending January 31, 2021, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2016-02.

Measurement of Credit Losses on Financial Instruments

ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*, introduces a new model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses. The new guidance is effective for the Company's fiscal year ending January 31, 2022. The Company has not yet assessed the impact of this update on its financial statements.

4. Accounts receivable

	2019	2018
	\$	\$
Trade accounts receivable	1,017,109	1,133,051
Government assistance receivable	56,677	26,187
	1,073,786	1,159,238

5. Inventories

	2019	2018
	\$	\$
Raw materials	274,781	244,280
Work in progress	277,961	35,992
Finished goods	770,860	956,770
	1,323,602	1,237,042

GoliathTech Inc.
Notes to the financial statements
 January 31, 2019 (expressed in U.S. dollars)

6. Property, plant and equipment

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
	\$	\$	\$	\$
Computer equipment	61,613	31,301	30,312	28,660
Leasehold improvements	229,644	50,879	178,765	169,866
Office furniture	62,646	31,120	31,526	40,625
Plant equipment	589,378	224,486	364,892	353,290
Plant furniture	67,498	30,125	37,373	31,176
Plant tools	131,431	77,395	54,036	69,853
Production equipment	48,401	11,761	36,640	38,564
Rolling stock	25,224	5,621	19,603	2,847
Signs	4,790	1,670	3,120	4,166
	1,220,625	464,358	756,267	739,047
Assets under capital leases				
Plant equipment	131,560	43,805	87,755	92,586
Leasehold improvements	38,880	648	38,232	-
	170,440	44,453	125,987	92,586
	1,391,065	508,811	882,254	831,633

Accumulated amortization of property, plant and equipment as of January 31, 2018, was \$384,465.

7. Intangible assets

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
	\$	\$	\$	\$
Certification	259,709	16,976	242,733	218,480
Patents	228,764	22,829	205,935	176,690
Software	223,911	116,263	107,648	137,181
Trademark	96,226	45,947	50,279	36,995
	808,610	202,015	606,595	569,346

Accumulated amortization of intangible assets as of January 31, 2018, was \$146,805.

8. Bank loan

The Company has an authorized line of credit of CA\$1,350,000 (US\$1,027,080) (CA\$1,000,000 (US\$813,500) in 2018), at the prime rate plus 0.85% (3.95% as at January 31, 2019) (at prime rate plus 0.25% (3.70% as at January 31, 2018)), of which \$nil (CA\$70,000 (US\$56,945) in 2018) remained unused at year-end.

The Company also has authorized derivative financial instruments global line of credit of CA\$300,000 (US\$228,240) (CA\$150,000 (US\$122,025) in 2018), of which CA\$300,000 (US\$228,240) (CA\$150,000 (US\$122,025) in 2018) remained unused at year-end.

The two lines of credit are secured by a first-rank mortgage of CA\$2,500,000 (US\$1,902,000) on all assets, tangible and intangible, present and future of the Company, by a first-rank mortgage of CA\$760,000 (US\$578,208) on the property located at 1402 Chemin des Pères in Magog (Québec) and by a suretyship of CA\$625,000 (US\$475,500) given by a shareholder.

GoliathTech Inc.
Notes to the financial statements
 January 31, 2019 (expressed in U.S. dollars)

8. Bank loan (continued)

Under the terms of the lines of credit and risk, the Company must meet certain financial and non-financial covenants. As at January 31, 2019, those covenants are not met, but the Company has obtained a waiver from the bank.

9. Accounts payable and accrued liabilities

	2019	2018
	\$	\$
Trade accounts payable	1,203,645	987,020
Accrued liabilities	8,952	2,856
Wages payable	111,627	62,183
Government remittances	146	330
	<u>1,324,370</u>	<u>1,052,389</u>

10. Long-term debt

	2019	2018
	\$	\$
Loan of an original amount of CA\$150,000, bearing interest at 7.10%, payable in monthly instalments of principal and interest of CA\$2,558, maturing in November 2019(4)	18,840	42,802
Loan of an original amount of CA\$85,964, bearing interest at the prime rate plus 0.65% (4.60% as at January 31, 2019), payable in monthly instalments of principal of CA\$1,433, renewable annually, maturing in January 2020(3)(5)	53,411	-
Loan of an original amount of CA \$150,000, bearing interest at 9.00%, payable in monthly instalments of principal and interest of CA\$2,692, maturing in June 2022(4)	72,243	95,798
Loan of an original amount of CA\$384,482, bearing interest at the prime rate plus 0.65% (4.60% as at January 31, 2019; 3.70 % as at January 31, 2018), payable in monthly instalments of principal of CA\$6,408, renewable annually, maturing in June 2022(3)(5)	204,760	281,499
Loan of an original amount of CA\$32,194, bearing interest at 4.74%, payable in monthly instalments of principal and interest of CA\$540, maturing in June 2023(6)	19,484	-
Loan of an original amount of CA\$19,905, bearing interest at 5.55%, payable in monthly instalments of principal and interest of CA\$292, maturing in July 2023	10,603	13,496

GoliathTech Inc.
Notes to the financial statements
January 31, 2019 (expressed in U.S. dollars)

10. Long-term debt (continued)

	2019	2018
	\$	\$
Loan of an original amount of \$700,000, bearing interest at 10.00%, payable in monthly instalments of principal of CA\$7,295, maturing in May 2026(1) (2) (3)	488,160	569,450
	867,501	1,003,045
Less: Deferred financing costs	(13,721)	(16,506)
	853,780	986,539
Current portion	182,090	153,247
Current portion renewable	186,588	218,943
	485,102	614,349

Principal payments required in each of the next five years, assuming the debt is renewed, are as follows:

	\$
2020	182,090
2021	165,336
2022	167,606
2023	126,440
2024	70,871

(1) As per the loan agreement, an amount of CA\$200,700 (US\$152,693) from a due to one shareholder cannot be reimbursed unless certain financial ratios and reimbursement conditions have been met.

(2) The loan is secured by a principal mortgage of CA\$700,000 (US\$532,560) and an additional mortgage of CA\$140,000 (US\$106,512) on all assets, tangible and intangible, present and future of the Company and by a suretyship of CA\$350,000 (US\$266,280) given by a shareholder.

(3) The Company is required to comply with certain financial and non-financial covenants. As at January 31, 2019, those covenants are not met, but the Company has obtained a waiver from the bank.

(4) The loan is secured by a mortgage on the property located at 1516 chemin Ivory, Magog, Québec, and by a suretyship given by a shareholder.

(5) The loan is secured by a first-rank mortgage of CA\$2,500,000 (US\$1,902,000) on all assets, tangible and intangible, present and future of the Company and by a suretyship of CA\$400,000 (US\$304,320) given by a shareholder.

(6) The loan is secured by a rolling stock with a net book value of CA\$23,322 (US\$17,743).

GoliathTech Inc.
Notes to the financial statements
 January 31, 2019 (expressed in U.S. dollars)

11. Obligations under capital leases

	2019	2018
	\$	\$
Equipment lease contract, of an original amount of CA\$51,104, payable in monthly instalments of CA\$1,483 including interest, bearing interest at 12.06%, maturing in April 2022	35,516	-
Equipment lease contract, of an original amount of CA\$20,674, payable in monthly instalments of CA\$483 including interest, bearing interest at 6.29%, maturing in May 2022	12,647	-
Equipment lease contract, of an original amount of CA\$136,179, payable in monthly instalments of CA\$1,947 including interest, bearing interest at 5.73%, maturing in May 2023	68,416	87,714
Equipment lease contract, paid during the year	-	462
	116,579	88,176
Current portion	28,048	14,812
	88,531	73,364

Future minimum lease payments under the capital leases in each of the next five years are as follows:

	\$
2020	35,720
2021	35,720
2022	35,720
2023	20,770
2024	5,926
	<u>133,856</u>
Interest included in minimum payments	<u>17,277</u>
	<u>116,579</u>

12. Share capital

Authorized

Class A shares, voting, dividends and participating

Class B shares, voting, non-participating, liquidation and wind-up, automatic buyback at death, purchase, right of veto

Class C shares, non-voting, monthly preferred dividends, non-participating, liquidation and wind-up, redeemable, purchase, right of veto

Class D shares, non-voting, monthly preferred dividends, non-participating, liquidation and wind-up, redeemable, purchase, right of veto

Class E shares, non-voting, annual preferred dividends, non-participating, liquidation and wind-up, redeemable, purchase, right of veto

Class F shares, non-voting, dividends, non-participating, liquidation and wind-up, unilaterally redeemable, purchase, right of veto

GoliathTech Inc.
Notes to the financial statements
 January 31, 2019 (expressed in U.S. dollars)

12. Share capital (continued)

Issued and paid

An unlimited number of common shares, without par value

	2019	2018
	\$	\$
143 Common shares	854,273	854,273

13. Income taxes

The Company has income tax losses which may be used to reduce future years' taxable income. The benefits resulting from these tax losses have not been recognized in the financial statements. These losses expire as follows:

	\$
2034	447,716
2035	840,034
2036	308,260
2037	367,685
2038	771,152
2039	613,531

14. Supplementary information to the statement of cash flows

	2019	2018
	\$	\$
<i>Changes in non-cash operating working capital items</i>		
Accounts receivable	10,442	46,270
Sales taxes receivable	(353)	(6,597)
Inventories	(168,088)	(428,243)
Deposit and prepaid expenses	(53,605)	(4,359)
Accounts payable and accrued liabilities	342,989	169,771
Deferred revenue	326	(9,164)
	131,711	(232,322)

Non-cash transactions

Property, plant and equipment were acquired under capital leases for \$54,609 during the year.

GoliathTech Inc.
Notes to the financial statements
 January 31, 2019 (expressed in U.S. dollars)

15. Commitments

- a) The Company leases its head office under an operating lease that expires on January 31, 2020, with future lease payments that aggregate \$219,186 payable over the next year.
- b) The Company leases equipment under an operating lease that expires on September 16, 2021. Future lease payments aggregate \$12,880 and include the following minimum payments over the next three years:

	\$
2020	4,830
2021	4,830
2022	3,220

16. Financial instruments

Market risk

Market risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. Market risk affecting the Company is comprised of currency risk and interest rate risk. The Company is exposed to certain of these risks, as described below.

a) Currency risk

The Company, whose functional currency is the Canadian dollar, realizes approximately 59% of its sales in U.S. dollars (54% in 2018) and is thus exposed to foreign exchange fluctuations. The Company does not actively manage this risk.

The balance sheet includes the following amounts expressed in U.S. dollars with respect to financial assets and liabilities for which cash flows are denominated in the following currencies:

	2019	2018
	\$	\$
U.S. dollar		
Cash (bank overdraft)	4,084	(5,258)
Trade accounts receivable	941,757	860,787
Trade accounts payable	26,720	47,726
Euro		
Trade account receivable	21,778	23,626

b) Interest rate risk

The bank loan bears interest at a variable rate. The long-term debt bears interest at variable and fixed rates. The fixed-rate loans subject the Company to a fair value risk, while the variable-rate loans subject it to a cash flow risk.

Credit risk

The Company provides credit to its customers in the normal course of its operations. It carries out, on a continuing basis, credit checks on its customers and maintains an allowance for doubtful accounts.

GoliathTech Inc.
Notes to the financial statements
January 31, 2019 (expressed in U.S. dollars)

16. Financial instruments (continued)

Liquidity risk

The Company's objective is to have sufficient liquidity to meet its liabilities when due. The Company monitors its cash balances and cash flows generated from operations to meet its requirements. As at January 31, 2019, the most significant financial liabilities are the bank loan, accounts payable and accrued liabilities, long-term debt and loan from shareholders.

GoliathTech Inc.
Supporting schedules
Year ended January 31, 2019 (expressed in U.S. dollars)

Cost of goods sold – Schedule A

	2019	2018
	\$	\$
Inventories, beginning of year	1,237,042	742,548
Purchases	2,135,014	1,909,696
	3,372,056	2,652,244
Inventories, end of year	(1,323,602)	(1,237,042)
	2,048,454	1,415,202
Direct wages and employee benefits	699,468	581,732
Equipment costs	119,718	48,260
Subcontracts	5,045	32,316
	824,231	662,308
Other costs		
Energy	69,757	77,380
Factory rent	207,517	132,464
Professional fees	91,094	69,977
Repairs, maintenance and equipment rental	66,355	71,924
Property taxes	51,815	32,470
Supplies	197,107	193,269
Freight	12,334	15,805
Amortization of property, plant and equipment	105,164	87,620
	801,143	680,909
	3,673,828	2,758,419

Selling expenses – Schedule B

	2019	2018
	\$	\$
Salaries and wages	443,949	404,398
Advertising and promotion	85,636	247,521
Insurance	9,678	-
Selling commissions – Franchises	78,671	145,387
Selling commissions – Product sales	64,581	45,641
Shipping expenses	184,439	149,933
Travel expenses	148,936	114,850
	1,015,890	1,107,730

GoliathTech Inc.
Supporting schedules
 Year ended January 31, 2019 (expressed in U.S. dollars)

General and administrative expenses – Schedule C

	2019	2018
	\$	\$
Salaries and wages	505,144	428,129
Bad debts	36,064	37,111
Computer-related expenses	80,029	81,991
Electricity	6,329	3,139
Factory rental	33,110	27,292
Insurance	64,551	64,632
Office expenses	38,167	56,168
Professional fees	359,349	207,491
Property taxes	9,499	8,118
Royalties	-	15,525
Research and development expenses	-	42,537
Telecommunications	21,453	20,619
Training and dues	6,333	11,328
Amortization of property, plant and equipment	45,333	34,658
Amortization of intangible assets	65,258	44,865
	<u>1,270,619</u>	<u>1,083,603</u>

Financial expenses – Schedule D

	2019	2018
	\$	\$
Interest on long-term debt	80,472	96,377
Interest on loan from shareholders	107,866	111,727
Other financial expenses	141,139	89,924
	<u>329,477</u>	<u>298,028</u>

Other revenues (expenses) – Schedule E

	2019	2018
	\$	\$
Foreign exchange gain (loss)	54,267	(56,510)
Interest income	11,225	8,533
Penalties on early repayment of debts	-	(231,718)
	<u>65,492</u>	<u>(279,695)</u>

GoliathTech Inc.
Supporting schedules
Year ended January 31, 2019 (expressed in U.S. dollars)

Revenues and cost of goods sold – Schedule F

	Revenue	Cost	2019 Gross profit
	\$	\$	\$
Product sales	4,888,450	3,516,779	1,371,671
Franchise revenue	845,997	157,049	688,948
	<u>5,734,447</u>	<u>3,673,828</u>	<u>2,060,619</u>

	Revenue	Cost	2018 Gross profit
	\$	\$	\$
Product sales	3,889,627	2,671,066	1,218,561
Franchise revenue	1,173,974	87,353	1,086,621
	<u>5,063,601</u>	<u>2,758,419</u>	<u>2,305,182</u>

Financial statements of
GoliathTech Inc.

January 31, 2018
(Expressed in U.S. dollars)

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Independent Auditors' Report

To the Shareholders of
GoliathTech Inc.

We have audited the accompanying financial statements of GoliathTech Inc., which comprise the balance sheet as at January 31, 2018, and the related statements of loss and comprehensive loss, shareholders' deficiency and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Member of Deloitte Touche Tohmatsu Limited

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GoliathTech Inc. as at January 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter Regarding Going Concern

The accompanying financial statements for the year ended January 31, 2018, have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company incurred a net loss of \$463,874 during the year ended January 31, 2018, and has a shareholders' deficiency that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Deloitte LLP¹

April 30, 2018

¹ CPA auditor, CA, public accountancy permit No. A127130

GoliathTech Inc.
Statement of loss and comprehensive loss
Year ended January 31, 2018 (expressed in U.S. dollars)

		2018	2017
	Schedules	<u>\$</u>	<u>\$</u>
Revenue			
Product sales	F	3,889,627	2,624,580
Franchise revenue	F	1,173,974	1,647,847
		5,063,601	4,272,427
Cost of goods sold	A and F	2,758,419	2,157,776
Gross profit		2,305,182	2,114,651
Operating expenses			
Selling expenses	B	1,107,730	1,119,054
General and administrative expenses	C	1,083,603	964,987
Financial expenses	D	298,028	344,533
		2,489,361	2,428,574
Operating loss		(184,179)	(313,923)
Other expenses	E	279,695	36,739
Net loss		(463,874)	(350,662)
Other comprehensive loss			
Foreign currency translation adjustment		(194,923)	(107,430)
Comprehensive loss		(658,797)	(458,092)

The accompanying notes and schedules are an integral part of the financial statements.

GoliathTech Inc.
Statement of shareholders' deficiency
Year ended January 31, 2018 (expressed in U.S. dollars)

	Capital stock	Deficit	Accumulated other comprehensive income	Total shareholders' deficiency
	\$	\$	\$	\$
Balance, January 31, 2016	98	(1,651,219)	392,806	(1,258,315)
Net loss for the year	-	(350,662)	-	(350,662)
Foreign currency translation adjustment	-	-	(107,430)	(107,430)
Balance, January 31, 2017	98	(2,001,881)	285,376	(1,716,407)
Net loss for the year	-	(463,874)	-	(463,874)
Foreign currency translation adjustment	-	-	(194,923)	(194,923)
Common shares issuance	854,175	-	-	854,175
Balance, January 31, 2018	854,273	(2,465,755)	90,453	(1,521,029)

The accompanying notes and schedules are an integral part of the financial statements.

GoliathTech Inc.

Balance sheet

As at January 31, 2018 (expressed in U.S. dollars)

	Notes	2018 \$	2017 \$
Assets			
Current assets			
Accounts receivable	4	1,159,238	1,141,181
Sales taxes receivable		53,399	43,883
Inventories	5	1,237,042	742,548
Deposit and prepaid expenses		72,511	64,165
		<u>2,522,190</u>	<u>1,991,777</u>
Long-term accounts receivable, bearing interest between 0.00% and 9.00% and without repayment terms		194,027	319,571
Property, plant and equipment	6	831,633	689,338
Intangible assets	7	569,346	211,565
		<u>4,117,196</u>	<u>3,212,251</u>
Liabilities			
Current liabilities			
Bank overdraft	8	17,779	477,183
Bank loan		756,555	-
Accounts payable and accrued liabilities	9	1,052,389	825,280
Deferred revenue		5,000	13,843
Current portion of long-term debt	10	153,247	788,398
Current renewable portion of long-term debt	10	218,943	-
Current portion of obligations under capital leases	11	14,812	15,553
		<u>2,218,725</u>	<u>2,120,257</u>
Long-term debt	10	614,349	273,224
Obligations under capital leases	11	73,364	83,531
Due to shareholders, no interest and without specified repayment terms		754,413	583,602
Loan from shareholders, bearing interest at 6.00%, payable in monthly installments of interest, without specified repayment terms		1,977,374	1,868,044
		<u>5,638,225</u>	<u>4,928,658</u>
Commitments	15		
Shareholders' deficiency			
Share capital	12	854,273	98
Deficit		(2,465,755)	(2,001,881)
Accumulated other comprehensive income		90,453	285,376
		<u>(1,521,029)</u>	<u>(1,716,407)</u>
		<u>4,117,196</u>	<u>3,212,251</u>

The accompanying notes and schedules are an integral part of the financial statements.

Approved by the Board

_____, Director

_____, Director

GoliathTech Inc.**Statement of cash flows**

Year ended January 31, 2018 (expressed in U.S. dollars)

	2018	2017
Notes	\$	\$
Operating activities		
Net loss	(463,874)	(350,662)
Items not affecting cash:		
Amortization of property, plant and equipment	122,278	131,789
Amortization of intangible assets	44,865	31,025
Amortization of deferred financing costs	4,858	1,688
Gain on disposal of property, plant and equipment	-	(30,264)
	<u>(291,873)</u>	<u>(216,424)</u>
Changes in non-cash operating working capital items	1.4 (232,322)	(410,689)
	<u>(524,195)</u>	<u>(627,113)</u>
Investing activities		
Variation in long-term accounts receivable	136,958	(115,537)
Acquisition of property, plant and equipment	(219,076)	(319,558)
Acquisition of intangible assets	(372,809)	(149,373)
Proceeds on sale of property, plant and equipment	-	924,171
Long-term deposit	-	3,304
	<u>(454,927)</u>	<u>343,007</u>
Financial activities		
Increase in bank loan	718,324	-
Financing costs	(17,097)	-
Increase in due to shareholders	129,749	162,064
Increase in long-term debt	837,645	309,515
Repayment of long-term debt	(955,688)	(675,317)
Repayment of obligations under capital leases	(15,863)	(40,929)
Issuance of share capital	811,011	-
	<u>1,508,081</u>	<u>(244,667)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(69,555)</u>	<u>(1,871)</u>
Net increase (decrease) of cash and cash equivalents	459,404	(530,644)
Cash and cash equivalents, beginning of year	<u>(477,183)</u>	<u>53,461</u>
Cash and cash equivalents, end of year	<u>(17,779)</u>	<u>(477,183)</u>

The accompanying notes and schedules are an integral part of the financial statements.

1. Description of the business

GoliathTech Inc. (the "Company"), incorporated under the *Canada Business Corporations Act*, is a manufacturer of helical screw piles. It operates its business through franchisees in different geographic locations.

2. Going concern

The Company started its commercial operations in 2013 and has been growing significantly in the past five years. The Company incurred recurring losses from its past activities since inception. As of January 31, 2018, and for the year then ended, the Company had positive working capital of \$303,465 (negative \$128,480 as of January 31, 2017), an accumulated deficit of \$2,465,755 (\$2,001,881 as of January 31, 2017) and a net loss of \$463,874 (\$350,662 for the year ended January 31, 2017). The Company's ability to continue its development and commercial operations is dependent of the continued financial support of its creditors and shareholders, obtaining a satisfactory sales level, attaining profitable operations and its ability to generate sufficient cash from operations in the future. These conditions raise substantial doubt regarding the Company's ability to continue as a going concern.

In the event that the Company would not be financially supported by its creditors and shareholders in its expected growth, the Company may be required to raise additional capital or to reimburse some of the long-term debts within the next year, in order to continue the production and commercialization of its products or to sell more franchises. If the Company is unable to raise additional capital or obtain debt when required or on acceptable terms, the Company may have to reduce or delay operating expenses as deemed appropriate in order to conserve cash.

The financial statements as of January 31, 2018, have been prepared under the assumption that the Company will continue as a going concern for the next 12 months. The Company's ability to continue as a going concern is dependent upon its ability to generate additional revenue, obtain additional equity or debt financing or to reduce expenditures. The Company's financial statements as of January 31, 2018, did not include any adjustments that might result from the outcome of this uncertainty.

3. Accounting policies

The financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America ("US GAAP") and reflect the following significant accounting policies:

Reporting currency

The financial statements have been translated from their functional currency, the Canadian dollar, into the reporting currency, the U.S. dollar, using the current rate method. Under this method, as at January 31, 2018, the Company's assets and liabilities have been translated at the rate of US\$1 = CA\$1.2293 (US\$1 = CA\$1.3012 as at January 31, 2017) and, for the year ended January 31, 2018, the statements of loss and comprehensive loss and cash flows have been translated at the average rate for the year of US\$1 = CA\$1.2947 (2017 - US\$1 = CA\$1.3166). Exchange gains and losses arising from this translation are included in the statement of comprehensive loss as foreign currency translation adjustment.

3. Accounting policies (continued)

Foreign currency translation

Transactions concluded in currencies other than the functional currency are translated at the exchange rates in effect at the end of the year for monetary assets and liabilities, at historical rates for non-monetary items, and revenues and expenses are translated at the average rate for the year. Exchange gains and losses arising from such transactions have been included in the statement of loss and comprehensive loss.

Use of estimates

The preparation of financial statements in conformity with US 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. Management reviews its estimates on an ongoing basis, particularly as they relate to accounting for useful lives of property, plant and equipment, impairment of long-lived assets, income taxes and related valuation, and valuation of intangible assets, based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank overdraft.

Inventories

Raw materials, work in progress and finished goods are valued at the lower of cost or net realizable value. Cost is determined on the first-in, first-out basis. The cost of work in progress and finished goods includes the cost of raw materials and the applicable share of the cost of labour and fixed and variable production overheads.

Fair value measurements

The Company applies (ASC) ASC20, *Fair Value Measurements and Disclosures*, which defines fair value and establishes a framework for measuring fair value and making disclosures about fair value measurements. (ASC) ASC20 establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is impacted by a number of factors, including the type of financial instruments and the characteristics specific to them. Financial instruments with readily available quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I – A quoted price in an active market provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Level II – Pricing inputs are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level III – Pricing inputs are unobservable inputs for the financial instruments and include situations where there is little, if any, market activity for them. The inputs into the determination of fair value require significant management judgment or estimation.

3. Accounting policies (continued)

Fair value of financial instruments

The carrying amounts of bank overdraft, accounts receivable, accounts payable and accrued liabilities and current portion of long-term debt are a reasonable estimate of their fair values because of their short-term maturity.

Transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then amortized over the expected life of the instrument using the straight line method which approximates the effective interest method.

The carrying value of long-term debt excluding reduction for deferred financing costs approximates fair value as the terms and conditions are comparable to those that the Company could get on the market.

Property, plant and equipment

Property, plant and equipment are recorded at cost. Amortization is calculated based on the following methods:

Computer equipment	Diminishing balance	30%
Leasehold improvements	Straight-line	10 years
Office furniture	Diminishing balance	20%
Plant equipment	Diminishing balance	15%
Plant furniture	Diminishing balance	20%
Plant tools	Diminishing balance	20%
Production equipment	Diminishing balance	20%
Rolling stock	Diminishing balance	30%
Signs	Diminishing balance	20%

Intangible assets

Intangible assets are recorded at cost. Amortization is calculated based on the following methods:

Certification	Straight-line	20 years
Patents	Straight-line	20 years
Software	Diminishing balance	30%
Trademark	Straight-line	10 years

Impairment of long-lived assets

Long-lived assets such as property, plant and equipment and intangible assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from the use and eventual disposition of the item. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value at the date of impairment.

3. Accounting policies (continued)

Revenue recognition

A) Initial franchise fees

Initial franchise fees (including initial equipment and training) relating to the sale of an individual franchise or an area franchise is recognized when all material conditions relating to the sale have been substantially performed by the Company, and collection is reasonably assured.

Material conditions relating to the sale are performed when :

- a. the Company has performed substantially all of the initial services required by the franchise agreement;
- b. the Company has no remaining obligation to refund amounts received or forgive unpaid amounts owing; and,
- c. there are no other material unfulfilled conditions affecting completion of the sale.

There are 189 franchised outlets in operation as of January 31, 2018 (142 in 2017).

B) Product sales

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured.

New accounting pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standardsetting bodies that are adopted by the Company as of the specified effective date.

Leases with terms of more than 12 months

In February 2016, the FASB issued Accounting Standards Update No. 2016-02 ("ASU 201602"). ASU 2016-02 requires a lessee to recognize a liability for its lease obligation and an asset for its right to use the underlying asset under lease for leases with terms of more than 12 months. In addition, ASU 2016-02 eliminates certain prescriptive requirements for lease classification, and aligns certain of the underlying principles of the lessor revenue recognition model with ASU 2014-09. ASU 2016-02 is effective for the Company for the fiscal year ending January 31, 2021, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2016-02.

Revenue from contracts with customers

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. The core principle of this guideline is that an entity should recognize revenue, to depict the transfer of promised goods or services to customers, in an amount that reflects the consideration to which the entity is entitled, in exchange for those goods or services. Guidance in this section supersedes the revenue recognition requirements found in ASC 605, *Revenue Recognition*. In August 2015, the FASB issued ASU 2015-14, which defers by one year ASU 2014-09's effective date. The amendment will be effective for annual reporting periods ending on or after January 31, 2020. The Company has not yet assessed the impact of this update on its financial statements.

3. Accounting policies (continued)

Financial instruments

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments*, which amends the guidance on the classification and measurement of financial instruments. Although the update retains many current requirements, it significantly revises an entity's accounting related to the classification and measurement of investments in equity securities and the presentation of certain fair value changes for financial liabilities measured at fair value. The update also amends certain disclosure requirements associated with the fair value of financial instruments. The amendments in this update are effective for annual reporting periods ending on or after January 31, 2020. To adopt these amendments, the Company will be required to make a cumulative-effect adjustment to beginning retained earnings as of the beginning of the fiscal year in which the guidance is effective. Early adoption is permitted. The Company does not expect this additional guidance to have a material impact on its financial statements.

4. Accounts receivable

	2018	2017
	\$	\$
Trade accounts receivable	1,133,051	1,141,181
Government assistance receivable	26,187	-
	<u>1,159,238</u>	<u>1,141,181</u>

5. Inventories

	2018	2017
	\$	\$
Raw materials	244,280	204,422
Work in progress	35,992	166,243
Finished goods	956,770	371,883
	<u>1,237,042</u>	<u>742,548</u>

6. Property, plant and equipment

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
	\$	\$	\$	\$
Computer equipment	52,732	24,072	28,660	22,364
Leasehold improvements	201,055	31,189	169,866	144,649
Office furniture	65,567	24,942	40,625	44,646
Plant equipment	528,634	175,344	353,290	287,964
Plant furniture	56,359	25,183	31,176	22,927
Plant tools	138,171	68,318	69,853	59,376
Production equipment	41,349	2,785	38,564	-
Rolling stock	3,254	407	2,847	-
Signs	5,122	956	4,166	4,516
	<u>1,092,243</u>	<u>353,196</u>	<u>739,047</u>	<u>586,442</u>
Assets under capital leases				
Plant equipment	123,855	31,269	92,586	102,896
	<u>1,216,098</u>	<u>384,465</u>	<u>831,633</u>	<u>689,338</u>

GoliathTech Inc.
Notes to the financial statements
January 31, 2018 (expressed in U.S. dollars)

6. Property, plant and equipment (continued)

Accumulated amortization of property, plant and equipment as of January 31, 2017 was \$241,542.

7. Intangible assets

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
	\$	\$	\$	\$
Certification	224,083	5,603	218,480	2,319
Patents	190,729	14,039	176,690	92,149
Software	219,078	81,897	137,181	86,315
Trademark	82,261	45,266	36,995	30,782
	716,151	146,805	569,346	211,565

Accumulated amortization of intangible assets as of January 31, 2017 was \$94,049.

8. Bank loan

The Company has an authorized line of credit of CA\$1,000,000 (US\$813,500) (CA\$750,000 (US\$576,391) in 2017), at the prime rate plus 0.25% (3.70% as at January 31, 2018) (at prime rate plus 1.25% (5.00% as at January 31, 2017)), of which CA\$70,000 (US\$56,945) (CA\$129,089 (US\$99,208) in 2017) remained unused at year-end.

The Company also has authorized derivative financial instruments global line of credit of CA\$150,000 (US\$122,025), of which CA\$150,000 (US\$122,025) remained unused at year-end.

The two lines of credit are secured by a first rank mortgage of CA\$2,500,000 (US\$2,033,750) on all assets, tangible and intangible, present and future of the Company and by a suretyship of CA\$400,000 (US\$325,400) given by a shareholder.

Under the terms of the lines of credit and risk, the Company must meet certain financial and non-financial covenants. As at January 31, 2018, those covenants are not met, but the Company has obtained a waiver from the bank.

9. Accounts payable and accrued liabilities

	2018	2017
	\$	\$
Trade accounts payable	987,020	742,907
Accrued liabilities	2,856	3,122
Wages payable	62,183	78,973
Government remittances	330	278
	1,052,389	825,280

GoliathTech Inc.
Notes to the financial statements
January 31, 2018 (expressed in U.S. dollars)

10. Long-term debt

	2018	2017
	\$	\$
Loan of CA\$750,000, refinanced during the year	-	576,391
Loan of CA\$237,602, refinanced during the year	-	169,833
Loan of CA\$250,000, refinanced during the year	-	137,166
Loans payable - long term 2 ⁽⁴⁾	42,802	60,412
Loan of CA\$150,000, bearing interest at 9.00%, payable in monthly installments of principal and interest of CA\$2,692, maturing in June 2022 ⁽⁴⁾	95,798	106,556
Loan of an authorized amount of CA\$500,000 of which CA\$384,482 has been disbursed during the year ended January 31, 2018, bearing interest at the prime rate plus 0.25% (3.70% as at January 31, 2018), payable in monthly installments of principal of CA\$6,408, renewable annually, maturing in June 2022 ⁽³⁾⁽⁵⁾	281,499	-
Loan of CA\$19,905, bearing interest at 5.55%, payable in monthly installments of principal and interest of CA\$292, maturing in July 2023	13,496	14,679
Loan of CA\$700,000, bearing interest at 11.75% after a capital moratorium of 12 months ending in May 2018 bearing interest at 8.75%, payable from June 2018 in monthly installments of principal of CA\$7,295, maturing in May 2026 ⁽¹⁾⁽²⁾⁽³⁾	569,450	-
	1,003,045	1,065,037
Less: Deferred financing costs	(16,506)	(3,415)
	986,539	1,061,622
Current portion	153,247	788,398
Current portion renewable	218,943	-
	614,349	273,224

Principal payments required assuming the debt is renewed in each of the next five years are as follows:

	\$
2019	153,427
2020	176,321
2021	158,195
2022	160,397
2023	116,360

⁽¹⁾ As per the loan agreement, an amount of CA\$200,700 (US\$163,269) from a due to one shareholder cannot be reimbursed unless certain financial ratios and reimbursement conditions have been met.

⁽²⁾ The loan is secured by a principal mortgage of CA\$700,000 (US\$569,450) and an additional mortgage of \$140,000 (US\$113,890) on all assets, tangible and intangible, present and future of the Company and by a suretyship of CA\$350,000 (US\$284,725) given by a shareholder.

10. Long-term debt (continued)

⁽³⁾ The Company is required to comply with certain financial and non-financial covenants. As at January 31, 2018, those covenants are not met, but the Company has obtained a waiver from the bank.

⁽⁴⁾ The loan is secured by a mortgage on the property located at 1516 chemin Ivory, Magog, Québec, and by a suretyship given by a shareholder.

⁽⁵⁾ The loan is secured by a first rank mortgage of CA\$2,500,000 (US\$2,033,750) on all assets, tangible and intangible, present and future of the Company and by a suretyship of CA\$400,000 (US\$325,400) given by a shareholder.

11. Obligations under capital leases

	2018	2017
	<u>\$</u>	<u>\$</u>
Equipment lease contract, of an original amount of CA\$16,070, reimbursed in full during the year	-	2,349
Equipment lease contract, of an original amount of CA\$1,576, payable in monthly installments of CA\$64 including interest, bearing interest at 26.39%, maturing in November 2018	462	848
Equipment lease contract, of an original amount of CA\$136,179, payable in monthly installments of CA\$1,947 including interest, bearing interest at 5.73%, maturing in May 2023	87,714	95,887
	88,176	99,084
Current portion	14,812	15,553
	73,364	83,531

Future minimum lease payments under the capital leases in each of the next five years are as follows:

	\$
2019	14,812
2020	15,195
2021	16,089
2022	17,036
2023	18,038

12. Share capital

Authorized

Class A shares, voting, dividends and participating

Class B shares, voting, non-participating, liquidation and wind up, automatic buyback at death, purchase, right of veto

Class C shares, non-voting, monthly preferred dividends, non-participating, liquidation and wind up, redeemable, purchase, right of veto

12. Share capital (continued)

Class D shares, non-voting, monthly preferred dividends, non-participating, liquidation and wind up, redeemable, purchase, right of veto

Class E shares, non-voting, annual preferred dividends, non-participating, liquidation and wind up, redeemable, purchase, right of veto

Class F shares, non-voting, dividends, non-participating, liquidation and wind up, unilaterally redeemable, purchase, right of veto

Issued and paid

An unlimited number of common shares, without par value

	2018	2017
	<u>\$</u>	<u>\$</u>
143 Common shares (100 in 2017)	854,273	98

During the year, the Company issued 43 common shares for a cash consideration of CA\$1,050,000 (US\$854,175).

13. Income taxes

The Company has income tax losses, which may be used to reduce future years' taxable income. The benefits resulting from these tax losses have not been recognized in the financial statements. These losses expire as follows:

	\$
2034	447,716
2035	840,034
2036	308,260
2037	367,685
2038	771,152

14. Supplementary information to the statement of cash flows

	2018	2017
	<u>\$</u>	<u>\$</u>
<i>Changes in non-cash operating working capital items</i>		
Accounts receivable	46,270	(379,754)
Sale taxes receivable	(6,597)	574
Inventories	(428,243)	(179,316)
Deposit and prepaid expenses	(4,359)	(42,746)
Accounts payable and accrued liabilities	169,771	242,361
Deferred revenue	(9,164)	(51,808)
	(232,322)	(410,689)

15. Commitments

- a) The Company leases its head office under an operating lease that expires on January 31, 2020. Future lease payments amounts to \$486,229 and include the following amounts payable over the next years:

	\$
2019	192,393
2020	293,836

- b) The Company leases equipment under an operating lease that expires on September 16, 2021. Future lease payments aggregate \$18,936 and include the following minimum payments over the next four years:

	\$
2019	5,164
2020	5,164
2021	5,164
2022	3,444

16. Financial instruments

Market risk

Market risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. Market risk affecting the Company is comprised of currency risk and interest rate risk. The Company is exposed to certain of these risks, as described below.

i) Currency risk

The Company, whose functional currency is the Canadian dollar, realizes approximately 54% of its sales in U.S. dollars (50% in 2017) and is thus exposed to foreign exchange fluctuations. The Company does not actively manage this risk.

The balance sheet includes the following amounts expressed in U.S. dollars with respect to financial assets and liabilities for which cash flows are denominated in the following currencies:

	2018	2017
	\$	\$
U.S. dollar		
(Bank overdraft) cash	(5,258)	31,705
Trade accounts receivable	860,787	924,029
Trade accounts payable	47,726	34,779
Euro		
Trade account receivable	23,626	-

ii) Interest rate risk

The bank loan bears interest at a variable rate. The long-term debt bears interest at variable and fixed rates. The fixed-rate loans subject the Company to a fair value risk, while the variable-rate loans subject it to a cash flow risk.

16. Financial instruments (continued)

Credit risk

The Company provides credit to its customers in the normal course of its operations. It carries out, on a continuing basis, credit checks on its customers and maintains an allowance for doubtful accounts.

Liquidity risk

The Company's objective is to have sufficient liquidity to meet its liabilities when due. The Company monitors its cash balances and cash flows generated from operations to meet its requirements. As at January 31, 2018, the most significant financial liabilities are the bank overdraft, bank loan, accounts payable and accrued liabilities, long-term debt, due to shareholders and loan from shareholders.

17. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

GoliathTech Inc.
Schedules
Year ended January 31, 2018 (Expressed in US dollars)

Cost of goods sold – Schedule A

	2018	2017
	<u>\$</u>	<u>\$</u>
Inventories, beginning of year	742,548	518,548
Purchases	1,909,696	1,349,593
	2,652,244	1,868,141
Inventories, end of year	(1,237,042)	(742,548)
	1,415,202	1,125,593
Direct wages and employee benefits	581,732	426,747
Equipment costs	48,260	153,065
Subcontracts	32,316	19,196
	662,308	599,008
Other costs		
Energy	77,380	46,026
Factory rent	132,464	-
Professional fees	69,977	67,272
Repairs, maintenance and equipment rental	71,924	68,771
Property taxes	32,470	19,695
Supplies	193,269	135,080
Freight	15,805	7,304
Amortization of property, plant and equipment	87,620	89,027
	680,909	433,175
	2,758,419	2,157,776

Selling expenses – Schedule B

	2018	2017
	<u>\$</u>	<u>\$</u>
Salaries and wages	337,721	277,840
Advertising and promotion	247,521	182,412
Customer service	66,677	61,597
Selling commissions – Franchises	145,387	149,922
Selling commissions – Product sales	45,641	34,426
Shipping expenses	149,933	237,072
Travel expenses	114,850	175,785
	1,107,730	1,119,054

GoliathTech Inc.**Schedules**

Year ended January 31, 2018 (Expressed in US dollars)

General and administrative expenses – Schedule C

	2018	2017
	\$	\$
Salaries and wages	428,129	346,741
Bad debts (recovery)	37,111	(5,287)
Computer-related expenses	81,991	20,283
Electricity	3,139	2,422
Factory rental	27,292	4,737
Insurance	64,632	53,629
Office expenses	56,168	48,792
Professional fees	207,491	254,664
Property taxes	8,118	4,924
Royalties	15,525	67,361
Research and development expenses	42,537	50,123
Telecommunications	20,619	36,363
Training and dues	11,328	6,448
Amortization of property, plant and equipment	34,658	42,762
Amortization of intangible assets	44,865	31,025
	<u>1,083,603</u>	<u>964,987</u>

Financial expenses – Schedule D

	2018	2017
	\$	\$
Interest on long-term debt	96,377	117,096
Interest on loan from shareholders	111,727	123,958
Other financial expenses	89,924	103,479
	<u>298,028</u>	<u>344,533</u>

Other expenses – Schedule E

	2018	2017
	\$	\$
Foreign exchange loss	56,510	69,269
Gain on disposal of property, plant and equipment	-	(30,264)
Interest income	(8,533)	(2,266)
Penalties on early repayment of debts	231,718	-
	<u>279,695</u>	<u>36,739</u>

GoliathTech Inc.
Schedules

Year ended January 31, 2018 (Expressed in US dollars)

Revenues and cost of goods sold – Schedule F

	Revenue	Cost	2018 Gross profit
	\$	\$	\$
Product sales	3,889,627	2,671,066	1,218,561
Franchise revenue	1,173,974	87,353	1,086,621
	<u>5,063,601</u>	<u>2,758,419</u>	<u>2,305,182</u>

	Revenue	Cost	2017 Gross profit
	\$	\$	\$
Product sales	2,624,580	2,004,711	619,869
Franchise revenue	1,647,847	153,065	1,494,782
	<u>4,272,427</u>	<u>2,157,776</u>	<u>2,114,651</u>

EXHIBIT B TO THE DISCLOSURE DOCUMENT
FRANCHISE AGREEMENT

GoliathTech Inc.
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ADDENDUMS

- A. LOCATION OF LICENSED BUSINESS
- B. TERRITORY
- C. ASSIGNMENT OF TELEPHONE NUMBER
- D. PERSONAL GUARANTY
- E. TRADE SECRETS & CONFIDENTIALITY AGREEMENT
- F. MUTUAL TERMINATION AND RELEASE AGREEMENT
- ~~G. RELEASE FROM CONTINUING OBLIGATIONS~~



Franchise Agreement

Franchise Agreement No.: _____

DATED: _____ ("Effective Date")

BETWEEN: **GoliathTech Inc.** (Franchisor")

AND: _____ ("Franchisee")

TERRITORY:

RECITALS

WHEREAS Franchisor has developed a unique system offering and installing helical piles (screw piles) operating under the Marks and using the System (hereinafter the "System");

WHEREAS Franchisor owns the trade name "**GoliathTech**" and related logos and marks and trade dress as more fully described in this Agreement (hereinafter the "Marks");

WHEREAS, as between Franchisor and Franchisee, Franchisor is the owner of all goodwill associated with and to become associated with the Marks, the value of which Franchisee acknowledges;

WHEREAS Franchisee recognizes the advantages and value of the System and Marks and desires to obtain a license for a **GoliathTech** business (hereinafter the "Licensed Business");

WHEREAS Franchisee recognizes the necessity and value of maintaining high standards and uniformity of appearance, image, products, services and customer relations in conformity with the System as Franchisor may reasonably modify it from time to time;

WHEREAS Franchisee is aware of the risks, business and otherwise, associated with owning an **GoliathTech** Licensed Business and has independently evaluated those risks without relying upon any representations from Franchisor or Franchisor's agents regarding revenues, profits or probability of success, excepting only those representations and accompanying cautions contained in Franchisor's Franchise Disclosure Document, revenues, profits or probability of success being affected primarily by factors beyond Franchisor's control, including Franchisee's skill, personality, diligence and dedication and general regional or local economic or demographic conditions; and

WHEREAS, Franchisor, in reliance upon Franchisee's representations, is willing to provide certain training and other services and to grant a license, but only on the terms of this Agreement, which terms Franchisee understands and accepts, and both parties acknowledge to be reasonable and material;

NOW THEREFORE, for and in consideration of the mutual covenants herein set forth, and other good and valuable consideration, the receipt and sufficiency of which each party hereby acknowledges, and

each party fully intending to be legally bound hereby, Franchisor and Franchisee mutually agree as follows:

Article 1 - License and System

1.01 Grant of License.

1.01.01 Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee a non-exclusive license to operate one (1) GoliathTech franchise business using the System and Marks for a period of 5 years from and after the Effective Date of this Agreement, said helical piles installation business is to be located only at the location specified in Addendum A hereto, or at such other location within or outside of the Territory at Franchisee's discretion, and without the Franchisor's prior approval. Franchisee, based upon Franchisee's own research and knowledge, shall select a location within 6 months after signing this Agreement and that location shall be accurately stated in Addendum A.

1.02 Location and Territory.

1.02.01 Except as specifically permitted by this Agreement, Franchisee's **GoliathTech** business shall be the only **GoliathTech** business to operate within the geographical territory described in Addendum B hereto (the "Territory"). Franchisor will not locate or open a competitive **GoliathTech business** in the Territory, either company-owned or franchised, during the term of this Agreement, so long as Franchisee is not in breach of this Agreement. Franchisee shall not distribute or publish advertising or otherwise market outside Franchisee's territory except in compliance with this Agreement and the Manual. Franchisee may provide services or products outside of its Territory provided another Franchisee has not been granted a license to that Territory. Franchisee may not provide services or products to a customer located in the Territory of another Franchisee under any circumstances. Franchisor reserves the exclusive right to solicit and sell product within Franchisee's Territory to manufactured home manufacturers ("Manufactured Home Manufacturers"). Franchisee may not solicit or sell product to any Manufactured Home Manufacturer customer in its Territory. Franchisee shall not receive compensation based on Franchisor's sale of product to Manufactured Home Manufacturers. Franchisor may enter into direct product sale relationships with Manufactured Home Installers within Franchisee's Territory, as part of Franchisor's Manufactured Home Installer Program which is further discussed in Section 7.19 of this Agreement.

1.02.02 Additional Territory. Subject to Franchisor's prior written approval, if Franchisee is in full compliance with this Agreement and the Manual, Franchisee may be permitted to acquire an additional adjacent territory that has not been assigned to another franchisee. The price of such territory shall be \$28,500 including equipment and \$18,500 without the equipment package. The purchase price for the additional territory is payable, in full, upon the signing of an addendum granting the territory to Franchisee.

1.03 Licensed Business.

1.03.01 The term "Licensed Business" means a business in which the Franchisee engages in the business of selling and installing helical piles, manufactured by Franchisor, pursuant to the terms of this Agreement.

Franchisee will provide these services operating under the Marks and using the System (hereinafter the "System"). Franchisor shall have the right to add or delete or change product and service offerings at any time and Franchisee agrees to comply with such changes.

1.04 System, Marks, and Patented Products.

1.04.01 Franchisee agrees to operate the Licensed Business only according to the System and only under the Marks pursuant to the Manual. Franchisee acknowledges that Franchisor owns all rights to the System and the Marks and Franchisee has only such rights as this Agreement grants. For purposes of this Agreement, the "System" includes the rights and obligations set forth in this Agreement, the Operating Manual furnished to the Franchisee as amended from time to time, Franchisor's name, training, methods of operation, reputation, advertising, system and similar benefits pursuant to which the Franchisee operates the Licensed Business.

1.04.02 Unless otherwise first approved by Franchisor in writing or unless otherwise required by applicable law, Franchisee agrees to do business only under the name "**GoliathTech**". Franchisee shall not use the Marks in any manner not specifically approved by Franchisor, including, without limitation, as part of any domain name or other address on any portion of the Internet or any new medium, including as part of any meta tag(s) or similar use.

1.04.03 Franchisee shall immediately notify Franchisor, in writing, if Franchisee learns of any attempt by any person to infringe the Marks or to wrongfully appropriate the System or any part of it. Franchisor may, in its sole discretion, take whatever action it deems appropriate to protect or defend the Marks or System but is not obligated to take any action whatsoever. Franchisee agrees to fully cooperate with Franchisor in any action anticipated by or taken by or on behalf of Franchisor. Franchisee understands that it may become necessary, in Franchisor's sole discretion, to change, totally or in part, the Marks, as a result of litigation or otherwise. In that event, Franchisee agrees to immediately adopt the new or revised Marks, and Franchisor's maximum liability, including for any purported goodwill, shall be to reimburse Franchisee the actual out-of-pocket costs of changing the principal signs identifying the Premises.

1.04.04 Franchisor may change the System or any part of the System at any time, and as changed it shall remain the System pursuant to this Agreement. Franchisor shall own any improvements or changes in the System whether developed by Franchisor, by Franchisee or by other franchisee(s) and shall have the right to adopt and perfect such improvements or changes without compensation to Franchisee or other franchisees. If Franchisor modifies the System, Franchisee shall, at Franchisee's own expense except to the extent specifically provided in this Agreement, adopt and use such modification(s) as if it were part of the System at the time of execution of this Agreement.

1.04.05 Franchisee acknowledges that Franchisor owns, in connection with the Marks, all goodwill associated with or to become associated with the telephone numbers and telephone listings and agrees to execute an Assignment of Telephone Numbers in the form of Addendum C, attached.

1.05 Minimum Purchase Requirement

Franchisee is required to purchase a minimum quantity of Franchisor's manufactured products per year (the "Minimum Purchase Requirement"). The following Minimum Purchase Requirement shall be determined on a twelve (12) month basis, commencing on the date Franchisee commences operation of its franchised business [and shall apply to each Territory owned by a Franchisee. Product sold directly to an MHI by Franchisor shall not be included in the determination of Franchisee's compliance with its Minimum Purchase Requirement.](#) In the event Franchisee shall fail to meet the Minimum Purchase Requirement, Franchisor has the option to terminate this Agreement.

Minimum Purchase Requirements of Franchisor's Manufactured Products

Year 1 (months 1 – 12) - \$7,500
Year 2 (months 13 – 24) - \$15,000
Year 3 (months 25 – 36) - \$25,000
Year 4 (months 37 – 48) - \$35,000
Year 5 (months 49 – 60) - \$50,000

1.06 Manual.

Franchisor agrees to loan to Franchisee, or to make available to Franchisee in electronic format, during the term of this Agreement one or more operations manuals (the "Manual"), together with such updates and modifications as Franchisor may from time to time provide to Franchisee. Franchisor may make any changes or modifications in the Manual as in Franchisor's sole judgment are desirable. Franchisee agrees that if there should, at any time, be a discrepancy between the terms of Franchisee's copy of the Manual and the master copy maintained in Franchisor's corporate headquarters, the terms of the master copy shall prevail. Franchisee agrees, at all times, to conform to the Manual in all respects including to obtain any equipment, fixtures, personnel or technology necessary to do so. The Manual is and shall

at all times remain the property of Franchisor and shall be returned to Franchisor upon expiration, termination or non-renewal of this Agreement for any reason. Franchisee agrees not to make it available to or permit another to make any copies of the Manual or any portion thereof without Franchisor's prior written consent. Franchisee acknowledges and agrees that the fair value of the Manual is at least five hundred dollars (\$500).

1.07 Patents.

Franchisee shall immediately notify Franchisor, in writing, if any claim, demand, notice, or legal process is served on Franchisee alleging or asserting that Franchisor's proprietary products infringe on the patent or intellectual property rights of another party. Franchisor will indemnify and hold Franchisee harmless from all damages arising out of or based on the claims of patent infringement asserted by a third party. Franchisor shall have the sole right to control all litigation. Franchisee agrees to fully cooperate with Franchisor in any litigation or other proceedings as may be reasonably required by Franchisor. Franchisee understands that it may become necessary, in Franchisor's sole discretion, to discontinue the sale of the proprietary helical piles, as a result of litigation or otherwise. In that event, Franchisee agrees to substitute a comparable product, and Franchisor's maximum liability, including for any purported goodwill, shall be to repurchase from Franchisee its inventory of product at Franchisee's actual cost.

Article 2 - Initial Fees and Advertising

2.01 Initial Fee.

The Initial Fee for the **GoliathTech** Franchise is \$38,000. The Initial Fee shall be paid in cash or in immediately available funds when Franchisee signs the Franchise Agreement. The Initial Fee is non-refundable under any conditions.

2.02 Marketing Fee.

2.02.01 Franchisee shall pay to Franchisor a monthly Marketing Fee in the amount equal to ~~3% of Gross Revenues, or an amount equal to~~ 6% of the Franchisee's Product purchases from Franchisor. ~~Products purchased for use in the manufactured home industry by either a Franchisee, an MHI, or a Manufactured Home Manufacturer are not subject to the 6% Marketing Fee. Franchisee must elect one of the foregoing payment options at the time of the execution of this Agreement.~~ Franchisor may reduce or discontinue the Marketing Fee at any time and may, thereafter, reinstate it upon a new thirty-day Notice. If Franchisee owns more than one **GoliathTech** franchise Territory, Franchisee shall report and pay the Marketing Fee for each franchise Territory independently, unless otherwise directed by Franchisor.

~~2.02.02 Franchisor may, in Franchisor's sole discretion, upon at least thirty days prior written notice, increase the Marketing Fee up to a maximum of 4% of Gross Revenues.~~

2.02.03~~2~~ Franchisor shall maintain all Marketing Fees collected, net of any taxes Franchisor is required to pay on account of having collected the Marketing Fees. Upon Franchisee's written request, Franchisor will provide an unaudited annual accounting to all Franchisees as to the aggregate amount of Marketing Fees collected and their use and application by general category, which accounting will be prepared within ninety days following the end of Franchisor's fiscal year. Franchisee acknowledges and agrees that each such accounting is a Trade Secret and shall be treated as such according to this Agreement. Except as herein specifically provided, Franchisee waives all compliance with the Uniform Trust Accounting Act and related or similar laws to the broadest extent permitted by law.

2.02.04~~3~~ Franchisor shall use Marketing Fees collected, net of taxes and governmental fees, for advertising, marketing and promotion for the benefit of Franchisor's System. Selection of marketing, advertising and promotion location, scope, content, copy, timing and approach shall be by Franchisor and in Franchisor's sole discretion. Franchisor may use some of the funds, in its discretion, for market research, production and administration of the advertising program. Franchisor will attempt to benefit all of Franchisor's franchisees through the marketing program over all; however, not every element of the marketing and promotion program will necessarily directly benefit any specific franchisee. In making

its marketing decisions, Franchisor will consider but not be bound by advice from any advisory committee(s) of franchisees recognized by Franchisor.

2.02.054 Franchisor shall have no duty to conduct any marketing program and if Franchisor does conduct a program, Franchisor makes no representations or warranties regarding the nature of the marketing to be conducted or about how it will affect Franchisee's revenue.

2.03 Management Assistance.

In the event Franchisee requests Franchisor to provide extraordinary management or support services at Franchisee's location or in Franchisee's Territory, Franchisee shall incur a fee for such extraordinary services. All such extraordinary services shall be arranged as provided in the Manual.

2.04 Gross Revenues.

The term "Gross Revenues" shall mean the full ~~the~~ price of all goods and services sold by Franchisee from or relating to the Licensed Business, whether or not Franchisee has received cash or other consideration. The only thing not included in Gross Revenues is taxes or fees Franchisee is required to collect on behalf of the government and which Franchisee actually remits. Gross Revenues are calculated at the time Franchisee sells the goods or services, without regard to when the Franchisee receives or expects to receive cash or other consideration therefore.

2.05 Local Marketing.

Franchisee shall spend, on a monthly basis, 3% of Gross Revenues on local marketing. Local marketing expenditures shall be in addition to the Marketing Fees paid, pursuant to paragraph 2.02.

2.05.01 Local Marketing.

In addition to complying with any specific marketing requirements of Franchisor, Franchisee shall place and pay for such other marketing as Franchisee deems necessary and appropriate. Franchisee shall be responsible to assure that all marketing so placed complies with the Manual and serves to enhance and not detract from or harm the Marks and the goodwill attached and to become attached thereto. Franchisee shall promptly send to Franchisor's approved marketing firm copies of all marketing copy and media used. In the event Franchisor's approved marketing firm deems any advertisement or marketing technique to be not in compliance with this paragraph, Franchisee shall, immediately upon receipt of a written notice from Franchisor, cease using the subject advertisement or marketing technique and shall thereafter fully comply with this paragraph. If Franchisee violates this paragraph more than two times in any twelve-month period, Franchisor may, in addition to all other remedies available pursuant to this Agreement, require Franchisee to obtain prior written of copy and marketing technique for all or certain categories of marketing.

2.06 Rebates, Discounts and Allowances.

The Franchisor may negotiate for the Franchisee and Franchisor to receive discounts based upon product volume purchased from Our approved suppliers.

2.07 Payments To Be Made in US Dollars.

All payments required to be made by the Franchisee to the Franchisor pursuant to this Agreement are payable to the Franchisor in US Dollars. All references to "Dollars" in this Agreement means U.S. Dollars.

Article 3 - Reports and Audits

3.01 Records And Reports.

Franchisee shall at all times maintain true and accurate business records in the manner specified by Franchisor and by state or local regulators. Franchisee shall, on a monthly basis or at such other intervals as specified by Franchisor, provide Franchisor with such report(s), in the form(s) specified by Franchisor, as Franchisor may require, and at such times as Franchisor may require, including, but not limited to, reports of Gross Revenues, reports of business expenses and overhead, customer

information, copies of detailed purchase invoices, number and type of transactions, identity of vendors, the amount of marketing expenditures, detailed records of marketing expenditures, copies of inspection reports, and weekly or monthly sales summary. By submitting any reports to Franchisor, Franchisee is certifying that they are true and correct. Within ninety (90) days following the end of each calendar year, Franchisee shall provide Franchisor with a copy of Franchisee's balance sheet and an income and expense statement for the year. At the time they are filed, Franchisee shall provide Franchisor with copies of Franchisee's federal income tax return(s) and state and local excise tax returns, if applicable, together with all exhibits and schedules thereto and all amendments thereafter. Franchisor is authorized to rely upon such reports and financial documents and to disclose them to governmental authorities as and if properly requested. Franchisor may use data from the reports and financial documents in composite or statistical form for any purpose in Franchisor's sole discretion. Franchisor is authorized to obtain or verify the information and reports described herein by electronic means from Franchisee's computer(s), at any time, without prior notice, at Franchisor's sole election. Franchisee shall retain all business records for at least five (5) years or such longer period of time as may be required by applicable law

3.02 Failure to Report.

If Franchisee fails, for any reason, to timely deliver to Franchisor any required report with all required information, Franchisor is authorized, to assess Franchisee a penalty of not more than \$500. Franchisee hereby authorizes Franchisee's bank to make such transfers upon Franchisor's request. No action taken under this sub-paragraph shall constitute a cure of any breach by Franchisee, an election of remedies by Franchisor or act, in any way, to limit Franchisee's liability to pay fees under this Agreement.

3.03 Audits And Inspections.

Franchisor shall have the right, at any time to request an audit or inspection of the Franchisees licensed business. Franchisor will incur the cost of any inspection of the licensed business requested by the Franchisor. Should Franchisee at any time cause an audit to be made of Franchisee's Licensed Business, Franchisee shall cause a copy of the report of said audit to be delivered to Franchisor without any cost or expense to Franchisor.

3.04 Contact With Others.

Franchisor shall have the right, in Franchisor's sole discretion and without further notice to Franchisee or to any other person or entity, to contact any of Franchisee's customers, landlord, accountant, vendors, or other persons within Franchisee's Territory or otherwise for the purpose of verifying the accuracy of any information submitted by Franchisee, for quality assurance or for any other purpose not inconsistent with this Agreement.

Article 4 - Training

4.01 Initial Training.

4.01.01 Franchisee and Franchisee's designated manager, if applicable, shall successfully complete Franchisor's initial training program. During Your franchise term, We will provide initial training to You and up to four additional employees as part of Your Initial Fee. The initial training program will be approximately [14 - 240](#) hours in length and shall be conducted at such location(s) as Franchisor specifies. The initial training may be conducted, in whole or in part, at Franchisor's corporate office in Magog, Quebec. For training requests at the Franchisees location, and approved by Franchisor, the Franchisee shall pay for the trainers' expenses for travel, and room and board. Franchisee and Franchisee's manager, if applicable, will be required to execute a consent, waiver and release before beginning training, relieving Franchisor or other franchisees who might be involved in the training of liability for wages, benefits, and for injury, damages or harm that might occur while training in the facilities of Franchisor or another franchisee. Franchisee shall be responsible for all salaries, compensation, benefits, and living and travel expenses of trainees. After the initial training, Franchisor will be available for such reasonable consultation as Franchisor deems appropriate. Franchisor reserves to itself the exclusive right to determine whether Franchisee and other trainees have satisfactorily completed the training program. If Franchisee and Franchisee's designated Manager, if

applicable, do not satisfactorily complete the initial training program, Franchisor may terminate this Agreement. Franchisee acknowledges that such failure to satisfactorily complete the initial training program is grounds for termination of this Agreement.

4.02 Manager Training.

At all times, Franchisee or Franchisee's Manager in charge of operating the Licensed Business shall be an individual who has successfully completed Franchisor's Manager training program and who otherwise meets Franchisor's Manager criteria. Any new Manager shall successfully complete Franchisor's Manager training program within 60 days after assuming the role of Manager. There shall be an estimated charge of \$500 per person per day for the subsequent training. In all cases, Franchisee shall be solely responsible for any salaries, compensation, benefits and living and travel expenses of trainees.

4.03 Subsequent Training.

Franchisor may require Franchisee and Franchisee's Manager to complete additional training at a location determined in Franchisor's sole discretion. There shall be a charge of \$500 per group trained per day for the subsequent training. If the training is conducted at Franchisee's location, Franchisee shall also pay our trainers expenses for travel, and room and board. Franchisee shall, in any event, be solely responsible for all salaries, compensation, benefits, and living and travel expenses of trainees.

4.04 Training Materials.

Franchisor may, from time to time, provide or make available to Franchisee training materials and equipment for providing training for Franchisee's manager(s) and employees. Franchisor may charge a reasonable fee for such materials and equipment. Franchisee agrees that all such materials are Trade Secrets pursuant to this Agreement. Franchisee agrees to require all of its managers and employees, as applicable, to successfully complete any such training program(s) if Franchisor designates them as mandatory.

4.05 No Warranty of Success.

Franchisor's determination that Franchisee or Franchisee's employee(s) have successfully completed any training shall not be a warranty or representation that the person can or will successfully operate the Licensed Business or any aspect thereof.

Article 5 - Trade Secrets and Confidentiality

Franchisee will have access during the course of this Agreement to confidential information and trade secrets that are the property of Franchisor. Confidential information includes, but are not limited to, the System, the Manual, formulas, methods, customer lists and related information, vendor and pricing lists and policies, the Training, and other programs, techniques and policies as they may be developed by Franchisor from time to time. Franchisee acknowledges that the Confidential Information and Trade Secrets derive independent economic value from not being generally known to, and not readily ascertainable by proper means by, other persons who could obtain economic value from their disclosure or use. Franchisee agrees to not disclose or in any way make available to any unauthorized person(s) any Confidential Information, Trade Secret(s) or any information regarding any Confidential Information, Trade Secret(s) or any proprietary information made available to Franchisee by Franchisor. Franchisee shall hold all such information in complete confidence. Franchisee will not disclose any Confidential Information or Trade Secrets whatsoever to any person(s) not employed by or under contract with Franchisee. Franchisee will disclose Confidential Information or Trade Secrets only to those employees and agents of Franchisee with a legitimate need to know, each of whom Franchisee warrants will be subject to this article. Franchisee shall cause every Manager and every employee who has access to Confidential Information or Trade Secrets to sign a Confidentiality and Nondisclosure Agreement in the form prescribed by Franchisor, the current form of which is Addendum E hereto. Franchisee agrees that Franchisor shall have sole discretion in determining what items or information is confidential or Trade Secrets and that any items or information designated as confidential or as Trade Secrets by Franchisor in the Manual or otherwise in writing shall be treated as such under this Agreement whether or not such items or information would be trade secrets under any other applicable legal or other

definition(s), including any applicable statutes. In addition to all other remedies available to Franchisor, upon proof of violation of this Article by Franchisee, Franchisee agrees that Franchisor shall be entitled to liquidated damages in an amount equal to the greater of: (a) the sum of the average monthly Marketing Fees paid or payable by Franchisee during the preceding twelve months, multiplied by the number of months, or portion thereof, during which Franchisee was in violation of this Article or (b) one hundred percent of the gross revenues received or receivable by Franchisee or any transferee of any Trade Secrets during every day, or portion thereof, during which Franchisee was in violation of this Article. Franchisee acknowledges and agrees that, in the event of Franchisee's violation of this Article, proof of actual damages would be difficult and that the formula for calculating liquidated damages contained herein is a reasonable estimate of what actual damages would be. The foregoing formula does not result in a penalty.

Article 6 - Pre-Opening Obligations

6.01 Premises and Lease.

Franchisee shall be solely responsible for selecting the location for the Licensed Business that complies with the Manual (hereinafter "the Premises"). Franchisee may locate the Licensed Business at such location as Franchisee shall determine, without the necessity of obtaining the Franchisor's prior consent.

6.02 Required Equipment

Franchisee shall acquire install and use, at Franchisee's sole expense the Required Equipment. The current list of Required Equipment is contained in the manual. Franchisee understands that the specific list of Required Equipment may be different for Franchisee's Licensed Business than for other franchisees or company-owned businesses on account of differences in the Premises, lease terms, demographics or otherwise and that Franchisor shall have the right to modify the list of Required Equipment in the Manual or otherwise in writing. All Required Equipment shall meet or exceed Franchisor's specifications. Franchisee shall purchase the Required Equipment only from vendors approved by Franchisor.

Article 7 - Operation of Licensed Business

7.01 Independent Contractor.

Each party to this Agreement is and shall remain an independent contractor and shall control the manner and means of operation of its respective business and shall exercise complete control over and responsibility for all labor relations and the conduct of its agents and employees. Neither party shall be considered or held out to be agent(s), joint venturers, partners or employee(s) of the other, except as specifically authorized by this Agreement. Neither party shall negotiate or enter into any agreement or incur any liability in the name of or on behalf of the other unless, and to the extent, specifically authorized by this Agreement. Franchisee shall prominently display signs at all times in the manner specified by Franchisor, indicating the name of the Franchisee and stating that the Licensed Business is independently owned and operated. Franchisee's business forms that bear the Marks shall contain Franchisee's name and a statement that the Licensed Business is independently owned and operated in such form as Franchisor may specify.

7.02 Personal Participation.

Throughout the term of this Agreement, Franchisee shall either devote Franchisee's full time and effort to actively managing the Licensed Business or delegate its management to a responsible person. Notwithstanding any delegation of authority hereunder, Franchisee shall reserve and exercise ultimate authority and responsibility with respect to the operation and management of the Licensed Business. If Franchisee employs a Manager to run the day-to-day operations, the Manager shall be required to attend and successfully complete Franchisor's training program prior to taking over full day-to-day responsibilities, at no additional charge. However, Franchisee shall be solely responsible for all travel and living costs of trainees. Franchisee shall devote such time and effort to the Licensed Business as Franchisee determines, but shall reserve and exercise ultimate authority and responsibility with respect to the operation and management of the Licensed Business.

7.03 Retail Prices.

Franchisor may establish the maximum prices and pricing strategies for products and services to the greatest extent permitted by law. However, Franchisee may set prices lower than maximum pricing established by Franchisor, but may not exceed the maximum pricing.

7.04 Compliance with Laws.

Franchisee shall be solely responsible, at Franchisee's sole cost and expense, for obtaining and maintaining all necessary or required permits and licenses in order to operate the Licensed Business. Franchisee is solely responsible for strictly complying with each and every law, ordinance and regulation applicable to the Licensed Business, including, but not limited to, licensing, health, safety, environmental, consumer and labor regulations. Franchisee shall timely pay all applicable taxes as they come due, but may challenge the amount or applicability thereof; provided, that Franchisee hereby agrees to indemnify, hold harmless and defend Franchisor from any and all liabilities for taxes based upon Franchisee's operations.

7.05 Franchisee Business Operation.

Franchisee understands and acknowledges that every detail of the System and of the operation of the Licensed Business is important to Franchisee, Franchisor and other **GoliathTech** franchisees in order to maintain and further develop high and uniform operating standards, to increase the demand for products sold by Franchisor and all franchisees, to enhance the image of Franchisor and the Marks, and to protect Franchisor's reputation and goodwill. Therefore, Franchisee agrees that:

7.05.01 Compliance with Manual. Franchisee shall operate the Licensed Business in conformity with such uniform methods, standards and specifications as Franchisor may prescribe, in the Manual or otherwise, ~~to insure that~~ to ensure that the highest degree of quality and service is uniformly maintained. Franchisee shall acquire and maintain, at all times, all equipment required by Franchisor for operation of the Licensed Business. Franchisee shall offer all of the goods and services designated by Franchisor and no others without the written consent of Franchisor, which consent Franchisor may withhold for any reason.

7.05.02 Image. Franchisee shall, at all times, work to protect and enhance Franchisor's image and, specifically, shall maintain employees or workers in the Licensed Business whose appearance, attire, attitude, reputation and demeanor are consistent with Franchisor's image. Franchisee acknowledges and agrees that Franchisor shall have sole discretion in determining what constitutes Franchisor's image, and further acknowledges that said image is constantly evolving as markets change and evolve.

7.05.03 Business Dealings. Franchisee shall not, at any time, engage in any business dealings in relation with the Licensed Business or the Franchise which are unethical, dishonest or otherwise could cause harm to the Marks, Franchisor, the goodwill associated with the Marks, or to any customer or vendor of Franchisee.

7.05.04 Maintenance. Franchisee shall, at Franchisee's sole cost and expense, maintain the Premises, inside and out, in the highest degree of sanitation, repair and condition, and in connection therewith shall make such additions, alterations, repairs and replacements thereto (but no others without Franchisor's prior written consent) as may be required for that purpose, including without limitation, such periodic cleaning, repainting, repairs to impaired equipment and replacement of obsolete signs and equipment as Franchisor may reasonably direct.

7.05.05 Advisory Committees. Franchisee shall participate, at Franchisee's sole expense, in local, regional and national franchisee advisory committees or councils if established or sanctioned by Franchisor.

7.05.06 Business Verticals. Franchisee shall make its best efforts to market Franchisor's products to all potential channels and business types as Franchisor may direct. Any effort by Franchisee to offer product to any one specific channel or customer type to the exclusion of all others is a material breach of this Agreement.

7.06 Restrictions on Sources of Products and Services.

7.06.01 Specifications. As to all equipment, supplies and inventory necessary to operate the Licensed Business, except as otherwise specified herein, Franchisee must purchase them from Franchisor or from an approved supplier, and must meet Franchisor's specifications, if any. The current list of Items subject to specifications is included in the Manual. Franchisor reserves the right to change the list of Items that Franchisee must purchase in accordance with specifications. Franchisor reserves the right to require Franchisee to purchase only from suppliers that Franchisor has approved.

7.06.02 Delivery of Goods. Franchisor agrees to act in good faith and make commercially reasonable efforts to deliver the goods ordered by the franchisee within a commercially reasonable time. Franchisor shall not be held responsible for unavoidable circumstances which could delay delivery in a timely fashion.

7.06.03 Items Bearing Marks and Proprietary Items. Franchisee shall purchase only from Franchisor or a supplier approved by Franchisor all Items used to start or operate the Licensed Business that contain or bear the Marks or that are proprietary to Franchisor. In addition, Franchisee shall purchase from a supplier approved by Franchisor, all signs used to identify the Licensed Business.

7.06.04 Other Suppliers. Franchisor will approve other suppliers of non-proprietary items if Franchisee or the supplier requests the approval in writing and if the supplier demonstrates to the satisfaction of Franchisor that it is financially capable and can provide Item(s) or service(s) that meet Franchisor's standards and that it is willing and able to protect Franchisor's proprietary information. Franchisor may charge a reasonable fee to cover its costs in evaluating a proposed supplier. Franchisor will normally make its decision within thirty days after it receives all of the requested information and any requested samples. Franchisor reserves the right to withdraw approval of any supplier whose performance falls below Franchisor's standards.

7.06.05 Unspecified Products. Franchisee may obtain any Item used in the Licensed Business that Franchisee is not required to purchase in accordance with specifications or from an approved supplier from any source, so long as the Item is consistent with Franchisor's image. Should Franchisor later publish specifications or require use of an approved supplier, Franchisee shall comply with that requirement.

7.06.06 Inventory. Franchisee shall, at all times, maintain a sufficient inventory of Items so that the Licensed Business can operate at maximum capacity.

7.06.07 Training and Other Services. Certain services may be available to Franchisee only through Franchisor or an affiliate, including mandatory training. Franchisee will be required to pay the usual price for any of these services, unless otherwise provided in this Agreement.

7.06.08 Proprietary Items. Proprietary Items are Items that contain one or more unique characteristics which are either not known to the construction industry or which are subject to protection as intellectual property or Trade Secrets, and can include packaging, trademarks or containers. Patented or patentable Items are Proprietary Items. Franchisor or its Affiliate(s) may develop Proprietary Items. Franchisor or an Affiliate will (i) manufacture, supply and sell Proprietary Items to franchisees of Franchisor, and/or (ii) disclose the formula for and methods of preparation of the Proprietary Items to one or more supplier(s) who will be authorized by Franchisor to manufacture Proprietary Items to Franchisor's precise specifications and sell Proprietary Items to franchisees of Franchisor and/or (iii) license Franchisee to use them pursuant to this Agreement. If required, Franchisee shall purchase and use Proprietary Items from Franchisor or from supplier(s) so authorized by Franchisor. Franchisor or its Affiliate(s) will derive revenue and profits from Franchisee's purchases of any Proprietary Items. Franchisor or its Affiliate(s) may distribute Proprietary Items through alternative channels of distribution, including near Franchisee's location.

7.07 Minimum Hours.

The normal hours of operation shall be Monday through Friday, 7 a.m. – 4 p.m., subject to seasonal and holiday adjustments; however, Franchisor, in its sole discretion may, from time to time specify different hours of operation. Franchisee may request different hours for good cause. The dates and hours of operation may not be the same for all Licensed Businesses or all franchisees, even in the same general area, because of local conditions. Franchisee shall have not less than ten business days to adjust to any increase in the minimum hours required by Franchisor for Franchisee's location.

7.08 Signs.

Franchisee agrees to obtain, install and maintain on the Premises and on certain vehicles used in the Licensed Business, appropriate signs bearing the Marks as specified by Franchisor. Any deviation from the required signage shall be subject to Franchisor's approved marketing firm prior written approval.

7.09 Communications Equipment and Systems.

Franchisee shall purchase and use in the Licensed Business communications equipment or systems and service as required by Franchisor and shall update or replace such equipment, systems and service as required, but Franchisor will not require replacement more than once per year. Except as otherwise required or permitted by this Agreement or by applicable law, Franchisee shall use only the communications systems designated by Franchisor in communicating with Franchisor and other franchisees relating to the Licensed Business. Franchisor shall have a proprietary interest in all communications made through any communications systems maintained or provided by Franchisor. Franchisee acknowledges that the provisions of this paragraph 7.10 are reasonable and necessary and beneficial to the **GoliathTech** franchise system. Franchisee shall monitor and respond to all communications in a timely manner as specified in the Manual.

7.10 Equipment Maintenance.

Franchisee shall be solely responsible, at Franchisee's cost and expense, for maintaining, repairing, and replacing, when appropriate, all equipment required, recommended or permitted pursuant to this Agreement.

7.11 Warranties.

Franchisee shall not represent to any customer or the public that Franchisor provides any warranty as to the quality of any product or service, unless Franchisor has specifically authorized such warranty in writing. If Franchisee offers any warranties, they shall be in writing and shall clearly state, both in the warranty and in any promotional or advertising materials, that the warranty is available and will be honored only by Franchisee. Franchisee hereby indemnifies, holds harmless and agrees to defend Franchisor, its related companies and all other **GoliathTech** franchisees from any and all claims of whatever nature arising from any such additional warranties made by Franchisee. Franchisee shall participate in and comply with any warranty program that Franchisor may adopt from time to time.

7.12 No Pirating of Personnel.

During the term of this Agreement and for a period of two (2) years following Termination or Non-renewal of this Agreement for any reason whatsoever, Franchisee shall not: (a) induce, or attempt to induce any employee of Franchisor, an Affiliate or of any other franchisee to leave their current employer; (b) without the prior written approval of Franchisor (which may be conditioned upon the prior written approval of another franchisee and other proper conditions) hire or associate or offer to hire or associate any employee of Franchisor, an Affiliate, or of any other franchisee; or (c) without the prior written approval of Franchisor (which may be conditioned upon the prior written approval of another franchisee and other proper conditions) hire or associate or offer to hire or associate any former employee of Franchisor, an Affiliate, or of any other franchisee, who has, voluntarily or otherwise terminated his or her relationship with Franchisor, an Affiliate, or any other franchisee during the prior eighteen (18) calendar months. The terms of this Paragraph 7.12 shall survive the termination, expiration or non-renewal of this Agreement for any reason for a period of two (2) years. Any waivers of this Paragraph 7.12 must be in writing and signed by the Franchisors.

7.13 Marketing.

Franchisee shall, at all times, comply with the Manual in all advertising. Franchisee shall not use television, radio or Internet advertising unless in full compliance with the Manual.

7.13.01 Franchisee shall obtain approval from Franchisor's approved marketing firm prior to releasing any marketing materials.

7.14 Marketing Outside of Territory.

Except as specifically permitted by the Manual, Franchisee shall not engage in marketing outside of Franchisee's Territory.

7.15 Internet/Social Media Activities

Franchisor maintains a website that provides information about the System, the products and services offered by franchisees and has sole discretion and control over it. Franchisor has the sole right to create interior pages on the website(s) that contains information about GoliathTech businesses. Franchisee may not establish a presence on, or market using, the Internet without Franchisor's prior written consent. Franchisor retains the sole right to advertise or use the Marks on the Internet. Franchisor retains ownership of Franchisee's Facebook page(s), Facebook groups and communities, Google, Yahoo, Bing, Yelp, and any other online business profile pages. Franchisor may require Franchisee to provide content for Franchisor's Internet marketing pages. Should Franchisee's internet presence become inactive or fail to comply with system standards, Franchisor may assume control of all internet activities for your GoliathTech business. You must comply with our intranet and Internet usage rules, style guide, and requirements. You must comply with Franchisor's Social Media Policy and guidelines as they may be amended or modified from time to time.

7.16 New Developments.

Franchisor shall be the sole and exclusive owner of all new developments, including inventions, methods, products, ideas, formulas, research results, equipment, and otherwise, that Franchisee develops or has any role in developing that relate to the Licensed Business. Franchisee shall immediately disclose any and all such new developments to Franchisor and shall execute any documents necessary, in Franchisor's opinion, to consummate the transfer of all ownership rights therein. The mutual covenants of this Agreement are sufficient consideration for such transfers. Franchisor shall not, otherwise, be required to compensate Franchisee for such new developments.

7.17 Staffing Requirements.

Franchisee shall, at all times, comply with the minimum staffing requirements specified in the Manual. Each Manager shall, at all times meet or exceed the qualifications set forth in the Manual.

7.18 Minimum Purchase Requirements.

Franchisee shall meet its Minimum Purchase Requirement pursuant to paragraph 1.05 herein.

7.19 Manufactured Home Installer Program.

Franchisor has instituted a program wherein it will enter into direct relationships with selected manufactured home installers (each an "MHI") in Franchisee's Territory. Franchisee will solicit MHIs within its Territory and present them to Franchisor for participation in the program (the "MHI Program"). Franchisor shall have sole discretion to determine acceptance of an MHI into the MHI Program. Franchisee shall have the right to continue to service customers regarding manufactured home installation in its Territory. Upon acceptance into the MHI Program, Franchisor will enter into an agreement with the MHI and will sell product directly to the MHI and provide certain services to the MHI. Franchisee shall receive a monthly commission payment based on Franchisor's direct invoiced and collected product sales to the MHI equal to the difference between Franchisee's cost of product on the most current Franchisee price list and the MHI purchase price as may be determined by Franchisor from time to time. Franchisor shall have sole control of the MHI product purchase price. Franchisee may not sell product directly to an MHI but may purchase product for installations of manufactured homes performed directly by Franchisee. Franchisor has the right to discontinue or modify the MHI Program at its sole discretion.

7.20 Obligation to Notify Franchisor of Claims.

You must immediately ("within 24 hours") notify Us if any legal proceeding(s) (civil or criminal) are initiated against You. Failure to immediately notify Us of such an event, is a material default of this

Agreement, and We shall have the right to immediately terminate the Franchise Agreement. All amounts owing to Us at the time of termination of the Franchise Agreement under such circumstances above noted, would become immediately due to Us. This provision shall survive termination of the Franchise Agreement.

Article 8 - Indemnity and Insurance

8.01 Indemnity.

Franchisee shall defend, hold harmless and indemnify Franchisor, its officers, directors, shareholders, agents, attorneys, employees, landlords and related companies from any and all losses, claims, damages, liabilities, or expenses of any kind or nature, including fines, penalties, interest, attorneys' fees, and all other types of costs or expenses, arising directly or indirectly from the acts or omissions (whether or not negligent or wrongful) of Franchisee or of any of Franchisee's manager(s), employees or agents in connection with the performance or breach of any obligation under this Agreement. Franchisor shall indemnify and hold harmless Franchisee, its officers, directors and shareholders from any losses, claims, damages, liabilities or expenses of any kind or nature, arising from the wrongful acts or omissions of Franchisor in connection with the performance or breach of any obligation under this Agreement.

8.02 Insurance.

Franchisee shall purchase and maintain, at Franchisee's expense, throughout the term of this Agreement commercial general liability insurance, including bodily injury, property damage, personal injury, advertising injury, non-owned automobile, loss of business income, and broad form contractual coverage for liability assumed under this Agreement. Such insurance shall be on an occurrence basis and shall consist of combined single limit coverage of at least \$2,000,000 per occurrence/\$2,000,000 annual aggregate. Franchisee shall purchase and maintain worker's compensation and employer's liability insurance with a reputable insurer acceptable to Franchisor or with a state agency. Franchisee shall provide Franchisor with one or more certificates of insurance evidencing such coverage's and naming Franchisor as an additional insured as to each applicable policy. Such certificate(s) of insurance shall provide that the coverage's under the respective policy(ies) may not be modified (except to increase coverage) or canceled until at least thirty (30) days prior written notice of such cancellation or modification has been given to Franchisor. Upon request by Franchisor, Franchisee shall provide Franchisor with a true copy of any insurance policy, including all endorsements. Every insurance policy of Franchisee required by this Agreement shall provide that coverage is primary/non-contributory. Every insurance policy shall be with an insurance company that meets Franchisor's criteria as set forth in the Manual.

Article 9 - Renewal

9.01 Conditions of Renewal.

After expiration of the term of this Agreement, if Franchisor has made a business decision, in Franchisor's sole discretion, to continue the **GoliathTech** Franchise System in Franchisee's area, Franchisee will be permitted to renew Franchisee's Franchise Agreement for an additional 5-year term, but only upon the following terms and conditions:

9.01.01 Franchisee must be current in payment of all fees and charges to Franchisor and any of its related companies and must not have made more than two late payments within the last three years for which Franchisor gave written notice(s) of breach, which notice(s) were not withdrawn by Franchisor;

9.01.02 Franchisee must not be in material breach of this Agreement or of any other agreement between Franchisor and Franchisee and must have substantially complied with the operating standards and other criteria contained in the Manual or otherwise communicated in writing by Franchisor;

9.01.03 Franchisee shall pay a renewal fee as established at the time by Franchisor, but which shall be not more than 25% of the then-current Initial Fee, payable in full at the time of execution of the Franchise Agreement referred to in sub-paragraph 9.01.04;

9.01.04 Franchisee shall have met the Minimum Purchase Requirement at the time of renewal;

9.01.05 Franchisee shall execute the then current form of Franchise Agreement, which may differ in material ways that are not reasonably foreseeable at this time, but may include material differences in territorial boundaries and economic terms, including the amount of Local Marketing Fees and Marketing Fees or entirely new categories of fees or mandatory expense;

9.01.06 Franchisee must maintain possession of the Premises identified in Addendum A for the renewal term or obtain reasonable substitute premises;

9.01.07 Franchisee, at Franchisee's sole cost and expense, shall refurbish signs and equipment to be consistent with the then current image of the System and to meet Franchisor's then current specifications;

9.01.08 Franchisee shall give written Notice to Franchisor at least thirteen months, but not more than eighteen months, prior to the end of the term of this Agreement of Franchisee's desire to renew; and

9.01.09 Franchisee must not, during the preceding term, have engaged in any business dealings in relation with the Licensed Business or the Franchisee which are unethical, dishonest or otherwise could cause harm to the Marks, Franchisor, any other franchisee, the goodwill associated with the Marks, or to any customer, client or vendor of Franchisee, Franchisor or of another franchisee.

Article 10 - Continuation

If, following the termination or expiration of this Agreement for any reason, whether voluntary or involuntary, Franchisee continues to operate the Licensed Business or occupy the Premises with the express or implied consent of Franchisor, but without a renewal franchise agreement, such continuation shall constitute a month-to-month extension of this Agreement and shall be terminable by either party upon the lesser of (a) thirty (30) days written notice or (b) such shorter notice by Franchisor as would otherwise be applicable in a termination for cause. Franchisee acknowledges and agrees that such continuation shall be good cause for termination of this Agreement. Both parties shall continue to be subject to all terms of this Agreement during any such continuation period.

Article 11 - Entity Franchisee

11.01 Entity Definition.

An "Entity" is any form of business organization except for a sole proprietorship and includes all kinds of corporations, limited liability companies, limited partnerships and general partnerships and any other form of business organization involving either multiple equity owners or which attempts to provide limited liability.

11.02 Founding Document Restriction.

If Franchisee is an Entity or becomes an Entity or if Franchisee transfers Franchisee's interest under this Agreement or any interest in the Licensed Business to an Entity, the founding document(s) of the Entity must provide as follows:

This [insert type of Entity] shall not enter into any agreement or undertaking which would, directly or indirectly, limit any of the rights or obligations of the [insert type of Entity] or of any owner of the [insert type of entity] under the **GoliathTech** Franchise Agreement dated _____, _____. Any such agreement or undertaking is void.

11.03 Liability of Owner(s).

Every owner of an equity or other interest in any Entity franchisee (and any individual person who is an owner of an Entity which owns any equity interest in any Entity franchisees) shall personally guaranty

this Agreement. Any change in or addition of equity or other owner(s) shall be subject to the Assignment and Death and Incapacity provisions of this Agreement.

11.04 Restriction on Certificates of Ownership.

Each and every document, if any, issued by any Entity franchisee evidencing ownership of an equity or other interest in the Entity must provide as follows:

Ownership of this [insert type of Entity] is restricted and cannot be transferred, assigned, sold or encumbered except in strict compliance with the **GoliathTech** Franchise Agreement dated _____, _____. Any other transfer or attempted transfer is void.

11.05 Additional Requirements of Entity Franchisee.

Franchisee shall, upon Franchisor's request, provide Franchisor or its designee with true copies of such of Franchisee's Entity records and documents as Franchisor shall designate. An Entity Franchisee shall, at all times, have one individual person who shall be the designated principal who shall have authority to act on behalf of the Entity in all respects under this Agreement. The designated principal shall be the individual who is responsible for assuring compliance by the Entity with all of the terms of this Agreement. Notwithstanding the requirement of a designated principal, Franchisor shall be entitled to rely upon the acts or words of any principal, employee or agent of an Entity Franchisee whom Franchisor understands to be acting or speaking on behalf of the Entity.

Article 12 - Assignment or Transfer

12.01 Prior Consent.

Franchisee shall not assign, transfer, sell, sublease, sublicense or encumber (hereinafter collectively referred to as "Assign" or "Assignment"), in whole or in part this Agreement, the Franchisee, the Licensed Business, any option or first right of refusal relating to this Agreement, the Franchisee or the Licensed Business, the assets of the Licensed Business or the leasehold of the Licensed Business or represent to any person that such an Assignment has been made without Franchisor's prior written approval. For purposes of this Paragraph 12.01, the terms "Assign" or "Assignment" shall include any assignment, transfer, sale or encumbrance of any shares of stock of a Franchisee that is a corporation, any partnership interest of a Franchisee that is a partnership, any membership interest of a Franchisee that is a limited liability company, and any equity or ownership interest or rights in any other form of entity. Any attempted Assignment without Franchisor's prior written consent shall be void and a breach of this Agreement.

12.02 Conditions of Assignment.

As preconditions for obtaining Franchisor's consent to an Assignment, at least the following terms and conditions must be met:

12.02.01 Franchisee must be current in payment of all fees and charges to Franchisor and any of its related companies;

12.02.02 Franchisee must not be in material breach of this Agreement or of any other agreement between Franchisor and Franchisee;

12.02.03 Franchisee must have paid in full all debts in connection with the Licensed Business;

12.02.04 The assignee must have agreed to assume all of the obligations of the Licensed Business;

12.02.05 The assignee must execute a disclosure form containing a waiver and release of any claim against Franchisor for any amount(s) paid to, or representation(s) made by Franchisee or any omission by Franchisee to disclose facts, material or otherwise;

12.02.06 Franchisee must execute, at Franchisor's option, a mutual termination of this Agreement and a general release, or an assignment of this Agreement and a general release, and an agreement to defend, hold harmless and indemnify Franchisor from any claim by the assignee in form specified by Franchisor, the current version(s) of which are attached as Addendum F;

12.02.07 The assignee must pay to Franchisor a Transfer Fee in the amount of 20% of the then-current Initial Fee and execute, at Franchisor's option, the then current form of Franchise Agreement or an assumption of this Agreement (in any event providing for the same Royalty and Marketing Fees as contained herein, for the balance of the term hereof);

12.02.08 The assignee must, in the sole opinion of Franchisor, successfully complete the then current initial training program at the assignee's sole cost and expense;

12.02.09 The assignee must have met the then current standards of Franchisor for experience, financial strength, reputation and character required of new or renewal Franchisees;

12.02.10 The assignee must obtain such approvals as may be required to assume occupancy and possession and the continuing obligations relating to the lease or possession of the Premises, unless a new location has been approved in writing by Franchisor; and

12.02.11 Franchisor must have been given at least thirty (30) business days written first right of refusal by Franchisee, upon the same terms as those agreed upon by Franchisee with any proposed assignee; provided, however, Franchisor may substitute cash of equivalent value for any non-cash term. In the event Franchisor waives or fails to exercise its right of first refusal, if Franchisee thereafter agrees to accept a revised offer, regardless of the nature of the revision, Franchisor shall have a new right of first refusal hereunder on the new terms.

12.03 Assignment to an Entity.

Notwithstanding the foregoing, if Franchisee is an individual, Franchisee may assign this Agreement to an Entity, as defined in Article 11, formed under the laws of the state where the Licensed Business is located, which is wholly owned by Franchisee; provided that the individual Franchisee shall first provide written notice of the assignment to Franchisor and shall personally guarantee the performance of this Agreement. If Franchisee is an Entity, Franchisee may assign this Agreement to another Entity, formed under the laws of the state where the Licensed Business is located, of the same or different form, which has exactly the same ownership, including percentages of ownership as Franchisee; provided that each of the individual equity or other owners of the new Entity shall personally guarantee the performance of the Agreement. The personal guarantee shall be in the form of Addendum D hereto. No assignment under this paragraph shall change or limit the liability of any person or entity under this Agreement. Franchisee shall pay to Franchisor a processing fee of five hundred dollars (\$500) for an assignment pursuant to this paragraph 12.03.

12.04 Approval Process.

Franchisor may use its own discretion in approving or rejecting prospective transferees in the same manner as if it was approving or rejecting any other new prospective franchisee, taking into consideration such factors as their financial ability, character, business reputation, experience and capability to conduct the type of business involved. The approval of one Assignment does not obligate Franchisor to approve any other or subsequent Assignment. If Franchisee is an Entity, notwithstanding any statute or agreement to the contrary, the addition, withdrawal or expulsion of any equity or other owner or the transfer, encumbrance or assignment of any equity or ownership or control interest of any equity or other owner or the dissolution or reorganization of the Entity for any reason is subject to the same considerations as any other Assignment.

12.05 Transfer by Franchisor.

There shall be no restriction upon Franchisor's right to encumber, transfer or assign this Agreement or the System. Following such a transfer or assignment, Franchisor shall have no further obligation or liability to Franchisee hereunder or otherwise so long as the assignee or transferee agrees to assume all of Franchisor's liabilities and obligations to Franchisee. Upon Franchisor's request, Franchisee shall execute and deliver a certificate to Franchisor, as described in Paragraph 21.05, in connection with an anticipated transfer or financing procedure by Franchisor. Franchisee agrees to accept any transferee of Franchisor, including any sub-franchisor and perform for such transferee the same as for Franchisor.

12.06 No Sublicensing.

Franchisee shall not, directly or indirectly, sublicense or attempt to sublicense the Marks or the System or any part thereof to any person or entity for any purpose. Any attempted or purported sublicense shall be void.

Article 13 - Death or Incapacity

13.01 Alternatives upon Death or Incapacity.

In the event of the death or incapacity of an individual franchisee, or of any individual equity or other owner of an Entity franchisee, the heirs, beneficiaries, devisees or legal representatives of said individual shall, within ninety (90) days of such event:

13.01.01 Apply to Franchisor for the right to continue to operate the franchise and the Licensed Business for the duration of the term of this Agreement and any renewals hereof, which right to continue to operate will be granted upon the fulfillment of all of the conditions set forth in Article 12 of this Agreement (except that no transfer fee shall be required); or

13.01.02 Sell, transfer or convey Franchisee's interest to a third party in compliance with the provisions of Article 12 of this Agreement; provided, however, in the event a proper and timely application for the right to continue to operate has been made and rejected, the ninety (90) days to sell, transfer or convey shall be computed from the date of said rejection. For purposes of this paragraph, Franchisor's silence on an application to continue to operate through the ninety (90) days following the event of death or incapacity shall be deemed a rejection made on the last day of such period.

13.02 Effect of Failure to Comply.

In the event of the death or incapacity of an individual franchisee, or any owner of an equity or other interest in an Entity franchisee where the provisions of this Article have not been fulfilled within the time provided, all rights granted to Franchisee under this Agreement shall, at the option of Franchisor, terminate and the parties shall proceed according to and have the rights provided for in Articles 17 and 18.

13.03 Incapacity Defined.

For purposes of this Agreement, "incapacity" is the inability of Franchisee to operate or oversee the operation of the Licensed Business on a regular basis and in the usual manner by reason of any continuing physical, mental or emotional disability, chemical dependency or other similar limitation which has continued or will more likely than not continue for a period of 60 consecutive days or more. Franchisee shall advise Franchisor in writing, immediately, upon receipt of advice from any physician or other professional that Franchisee or a principal of an Entity franchisee is incapacitated. However, Franchisee's failure or inability to advise Franchisor of Franchisee's incapacity shall not limit Franchisor's rights under this sub-paragraph. Any dispute as to the existence of an incapacity as defined herein shall be resolved by majority decision of three (3) licensed medical physicians practicing in the state in which the Licensed Business is located, with each party selecting one (1) physician, and the two (2) physicians so designated selecting the third physician. The determination of the majority of the three (3) physicians shall be binding upon the parties and all costs of making said determination shall be borne by the party against whom it is made. Notwithstanding the foregoing, if any insurance company pays to the Franchisee or Franchisee's Entity any disability benefits for 60 consecutive days, or more, of disability, the Franchisor may regard that as conclusive evidence of incapacity.

Article 14 - Successors and Assigns

This Agreement shall bind and inure to the benefit of the successors, permitted transferees and assigns, personal representatives, heirs and legatees of the parties hereto.

Article 15 - Termination

Franchisor may terminate this Agreement as follows:

15.01 Franchisor may terminate this Agreement upon at least thirty days' notice and opportunity to cure (or longer if required by law) if Franchisee is in breach of any term of this Agreement or of any other agreement between Franchisee and Franchisor or any affiliate of Franchisor.

15.02 Franchisor may terminate this Agreement upon at least 72 hours' notice and opportunity to cure (or longer if required by law) for occurrence of any one or more of the following events (each of which Franchisee acknowledges is good cause for termination and a material breach of this Agreement), notwithstanding that Franchisor may have the option to give a longer notice and cure period pursuant to other provisions of this Agreement:

i. Franchisee fails to pay or deposit when due, and in the manner prescribed by Franchisor, any moneys owed to Franchisor or any of its related companies or to another **GoliathTech** franchisee;

ii. Franchisee files a voluntary petition in bankruptcy or has an involuntary petition filed against Franchisee, Franchisee makes an assignment for the benefit of creditors, or a receiver or trustee is appointed;

iii. Franchisee violates or attempts to violate any of the Assignment provisions of this Agreement;

iv. Franchisee vacates, deserts, or otherwise abandons all or any substantial portion of the Premises or equipment, or abandons the Licensed Business for more than 24 hours (whether or not Franchisee intends to abandon);

v. Franchisee sublicenses or attempts to sublicense the Marks or the System in violation of this Agreement;

vi. Franchisee is an Entity and an impasse exists between equity or other owners or there is any change in the ownership of any interest in the Entity without having first complied with the provisions of this Agreement;

vii. Franchisee fails to timely permit any audit or inspection by or on behalf of Franchisor;

viii. Franchisee violates or fails to comply with any law, rule, regulation, ordinance or order relating to the operation of the Licensed Business (including any health codes, rules or regulations) or fails to obtain and continue any license, permit or bond necessary, in Franchisor's opinion, for Franchisee's operation of the Licensed Business;

ix. Franchisee is convicted of or pleads guilty or "Nolo Contendere" to any felony;

x. Franchisee fails to operate the Licensed Business under the Marks or fails to properly display the Marks at all times in full compliance with this Agreement and the Manual;

xi. Franchisee engages in any business dealings in relation with the Franchise, the Licensed Business or the Franchisee which are unethical, dishonest or otherwise could cause harm to the Marks, the System, Franchisor, other franchisees, the goodwill associated with the Marks, or to any customer, client or vendor of Franchisee or any other franchisee or the Franchisor;

xii. Franchisee fails or refuses to timely execute and deliver a truthful certificate pursuant to paragraph 240.05;

xiii. Franchisee fails to maintain insurance or workers compensation coverage;

xiv. Franchisee fails to open for business within four (4) months of the signing of the Franchise Agreement;

xv. Any other agreement, including any other Franchise Agreement to which Franchisee is a party, between Franchisee and Franchisor or between Franchisee and any of Franchisor's related companies is terminated for cause; or

xvi. Franchisee fails to meet its Minimum Purchase Requirement pursuant to paragraph 1.05.

15.03 Franchisor may terminate this Agreement without giving notice or opportunity to cure upon occurrence of any one or more of the following events (each of which Franchisee acknowledges is good

cause for termination and a material breach of this Agreement), notwithstanding that Franchisor may have the option to give a longer notice and a cure period pursuant to other provisions of this Agreement:

- i. Upon three willful and material breaches of the same term of this Agreement occurring within a twelve-month period;
- ii. Franchisee is adjudicated a bankrupt or insolvent;
- iii. Franchisee makes an assignment for the benefit of creditors or similar disposition of the assets of the Licensed Business;
- iv. Franchisee voluntarily abandons the Licensed Business; or
- v. Franchisee is convicted of or pleads guilty or no contest to a charge of violating any law relating to the Licensed Business.

15.04 Notwithstanding any right of Franchisor to terminate this Agreement, pursuant to this Agreement or otherwise, Franchisor may, in Franchisor's sole discretion, elect to not terminate this Agreement and to, in lieu thereof, impose limitations on Franchisee, including, but not limited to, revocation of Franchisee's Territorial rights, and revocation of Franchisee's rights to acquire or offer and sell certain products and services. Franchisor's election to not terminate this Agreement pursuant to this paragraph shall not constitute an election of remedies and Franchisor may, thereafter, terminate this Agreement on account of the same or any other event(s) of default as set forth herein.

Article 16 - Competition with Franchisor

16.01 Competing Business Activities during Term.

Each of the franchisee, the designated operator of any partner, director, officer, director or shareholder of the franchisee and anyone with any interest of any nature whatsoever, direct or indirect, in the franchisee covenants and agrees hereby will not, directly or indirectly, either for himself or on behalf of or in conjunction with any other person, partnership, association or corporation, own, maintain, engage in, lend money, lend his name, endorse any debt or obligation, assist or assistance, to be used, perform, participate in or have an interest of any nature whatsoever to, or in any business of which all or a portion substantial activity is in operation, the concession and / or franchising a business of manufacturing and installation of helical piles or structural support systems that are similar in design to the helical piles we manufacture and sell to You.

16.02 Competing Business Activities after Term.

During the Term and for a period of two (2) years after any termination, expiration, or non-renewal of this Agreement, each of the Franchisee, the designated operator or manager of Franchisee, any shareholder, director, officer, director or shareholder of the Franchisee or any person with any interest, direct or indirect, of any kind, in the Franchisee, for its own account or through, on behalf of, or in conjunction with any person or entity agrees not to:

16.02.01 divert or attempt to divert, directly or indirectly, any business or any current or potential customer of the franchised business Franchisee, Franchisor, or any other GoliathTech franchisee to any competitor;

16.02.02 employ or seek to employ any person who, at that time or at any time during the six (6) months earlier, is or was employed by the Franchisor or by one of its franchisees, or otherwise encourage, directly or indirectly, such person to leave his job, except with the prior written consent of the franchisor and employer of that person;

16.02.03 use for any purpose other than for the sole purpose of the operation of the franchised business, disclose or communicate to any person other than the franchisor, for any reason whatsoever, unless forced to do so by a specific law or by court order, any confidential information relating to the affairs of the franchised business, the franchisor or other franchisees of the Franchisor or the contents of the Operations Manual, the present provision to customers, suppliers, price lists, competitors, samples, trade secrets, market studies and other accounting data, all rights reserved, names and addresses of

employees, description of equipment and affairs of the franchised business, the franchisor and any another franchisee of the franchisor;

16.02.04 engage in the business of the sale or installation of helical piles or structural support systems that are similar in design to the helical piles we manufacture and sell to You, within the Franchisee's Territory or former Territory or within a 25-mile radius of the Territory.

16.02.05 Franchisee acknowledges and agrees that the periods of time of this covenant and the geographical areas of restriction imposed by this covenant are fair and reasonable and are reasonably required for the protection of Franchisor and its franchisees. Franchisee would desire at least this same protection against competitive activities by another former franchisee whose franchise agreement was either expired, terminated or non-renewed. Franchisee agrees that, in the event a court or arbitrator should determine any part of this covenant to be excessively broad, unenforceable, and/or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof. Franchisee further agrees that, in the event that any of the provisions of this Agreement relating to the geographic area of restriction or the periods of time of the covenants shall be deemed to exceed the maximum area or periods of time which a court of competent jurisdiction would deem enforceable, the geographic area or periods of time shall, without further action on the part of any person, be deemed to be modified, amended and/or limited, to the maximum geographic area or time periods which a court of competent jurisdiction would deem valid and enforceable in any jurisdiction in which such court shall be convened. Any such modification shall apply only in the jurisdiction of the deciding court or in the state where the arbitrator made the decision.

16.02.06 It shall not be a violation of this Article for Franchisee to have or maintain a passive investment in stock of any publicly traded corporation, provided said stock holdings shall not exceed five percent (5%) of the issued and outstanding stock of such corporation.

16.02.07 For purposes of this Agreement, all references to Franchisor shall be deemed to include: (a) any corporation or entity which acquires all, or substantially all, of the assets of Franchisor, whether by statutory merger or otherwise, (b) any corporation, partnership, or other entity directly or indirectly controlled by or under common control with Franchisor or its successor, and (c) any sub-franchisor or other assignee of Franchisor.

16.02.08 Franchisee agrees that it would be extremely difficult to prove with certainty the exact amount of damages caused to Franchisor by a violation of this Article 16 by Franchisee and therefore, Franchisee agrees that, upon proof that Franchisee violated this Article 16, Franchisor shall be entitled to liquidated damages in an amount calculated by multiplying the amount of gross revenues generated by Franchisee or a third party that benefited from the violation during the period of breach and multiplying it by 1.5. Franchisee acknowledges that this results in a reasonable estimate of what Franchisor's actual damages would be and is not a penalty.

16.02.09 Franchisee agrees that any violation of the covenants contained in this Article will cause irreparable harm to Franchisor and its other franchisees and may, as a matter of course, be restrained by process issued out of a court of competent jurisdiction, in addition to any other remedies provided by law. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. In the event of any action for a temporary or permanent injunction to enforce this Covenant, Franchisee hereby waives any requirement of a bond or deposit to the extent that any bond or deposit would exceed one hundred dollars. The substantially prevailing party in any such enforcement action shall be entitled to recover their attorney's fees and costs incurred therein in addition to any and all other remedies.

16.02.10 Nothing in this Article 16 shall obligate Franchisor to take action to enforce this or any other covenant against competition against any other franchisee or former franchisee. Nothing in this Article 16 shall entitle Franchisee to take any action to enforce this or any other covenant against competition against any other franchisee or former franchisee.

16.02.11 The terms of this Article 16 shall survive the termination or expiration of this Agreement for any reason.

Article 17 - Effect of Termination

17.01 Loss of Rights.

After the Termination Date, Franchisee shall have no further rights to use, in any manner, the System, the Marks, anything similar to the Marks, the telephone numbers, the telephone listings, any proprietary computer software, any trade secrets or the Manual. Franchisee shall immediately notify such persons as Franchisor shall reasonably require of Franchisee's loss of rights thereto. All sums of money due from Franchisee to Franchisor or to any other **GoliathTech** franchisee as of the Termination Date shall become immediately due and payable. As between the parties hereto, whether or not a Lease Conditional Assignment Agreement has been signed, Franchisor or Franchisor's designee shall have the option, exercisable within sixty (60) days, to assume the lease for the Premises. If Franchisor elects to assume the lease for the Premises, pursuant to the Lease Conditional Assignment Agreement or otherwise, Franchisee agrees to cooperate in the transfer, to execute any documents which may be required for Franchisor or Franchisor's designee to assume the lease, and to otherwise take no actions which would interfere with the ability of Franchisor or its designee to assume the said lease. Franchisee specifically agrees to execute such document(s) as may be necessary to transfer the telephone number(s) to Franchisor or Franchisor's designee. In the event Franchisee or any owner or affiliate of Franchisee owns the Premises, Franchisee agrees that Franchisor shall have the option to lease the Premises at fair market value for a term of up to ten (10) years, at Franchisor's election, such option exercisable by Franchisor within sixty (60) days following the Termination Date.

17.02 Change of Identity.

After the Termination Date, Franchisee shall immediately refrain from holding itself out to the public in any way as a Franchisee or affiliate of Franchisor or as a former Franchisee or affiliate of Franchisor. If directed by Franchisor, Franchisee shall, at Franchisee's sole cost and expense, make or cause to be made such changes in signs, telephone numbers, buildings or structures as Franchisor may direct to distinguish the Premises from its former appearance and from other **GoliathTech** franchisees. If Franchisee fails to make such changes within ten (10) calendar days, then Franchisor shall have the right to enter upon the Premises, without liability for trespass or otherwise, and to make or cause to be made such changes at the expense of Franchisee, which expenses shall be paid by Franchisee upon demand. Franchisee shall immediately file the appropriate forms to abandon or withdraw any assumed name certificate or to change the name of its corporation or partnership to eliminate any reference to the System or the Marks. If Franchisee fails or refuses to cooperate with Franchisor, Franchisee hereby appoints Franchisor as its Attorney in Fact to complete the changeover. Franchisee shall immediately return to Franchisor the Manual, Trade Secrets, bulletins, instruction sheets, software, forms, Marks, designs, signs, printed matter and other material containing any part of the System or the Marks together with all copies thereof (including electronic or digital copies) that are or have been within Franchisee's custody or control.

17.03 Changeover Procedure.

Upon termination of this Agreement, either by expiration, non-renewal, or otherwise, if Franchisor or Franchisor's designee has indicated its intention to assume Franchisee's lease for the Premises and to operate an **GoliathTech** business from that location, the parties agree to cooperate in the changeover of the Licensed Business to Franchisor, including by taking the steps set forth herein. If Franchisee fails or refuses to cooperate with Franchisor, Franchisee hereby appoints Franchisor as its Attorney in Fact to complete the changeover. In such case, the parties shall: notify the landlord of the change of tenancy pursuant to the Lease Conditional Assignment Agreement or otherwise and Franchisor shall be entitled to take control of the Premises, including by changing the locks; terminate vendor accounts at Franchisor's option; conduct an inventory of all equipment, fixtures, tenant improvements, supplies and inventory (if Franchisee elects to not participate in the inventory, Franchisor's inventory shall be presumed accurate and complete); Franchisor shall have the right to use Franchisee's equipment, furniture, fixtures and related items for up to sixty (60) days and shall pay or credit Franchisee with the fair market rental value of that use; Franchisor shall be entitled to communicate directly with Franchisee's agents, employees, customers and vendors in order to facilitate a smooth transition to ownership by Franchisor or Franchisor's designee; Franchisor or its designee shall be entitled to all

Gross Revenues received after the date of termination. No action taken pursuant to this paragraph shall constitute a waiver by Franchisor of any claims against Franchisee for any reason. The parties agree that there are no circumstances justifying a stay or delay in implementation of the terms of this paragraph and the parties specifically agree that any claims, including, but not limited to, allegations of wrongful termination, can be separately resolved and that an award of damages would be an adequate remedy.

17.04 Continuing Royalties.

Franchisor shall be entitled to receive royalties on all Gross Revenues received or receivable by Franchisee as of the Termination Date. All such royalties shall be due and payable on the Termination Date.

17.05 Option to Purchase Certain Assets.

Franchisor shall have and is hereby granted an exclusive option for a period of sixty (60) days from and after the Termination Date, to purchase from Franchisee all of Franchisee's right, title and interest in all or any part of the franchise, Franchisee's Licensed Business and business assets and/or the Premises, if applicable, at the fair market value, except as otherwise specifically provided herein, of all assets purchased, but excluding any value for purported "goodwill" or "blue sky". Franchisee acknowledges that Franchisor already owns the "goodwill" or "blue sky", which is attached to the Marks and the Licensed Business. Franchisor's notice exercising the option granted herein shall contain a list, at least by major category, of the assets Franchisor is purchasing. Franchisor shall not be obligated to assume any liabilities of Franchisee.

17.06 Payment and Terms.

Franchisor shall pay to Franchisee all sums due pursuant to this Article, and any other sums required by this Agreement or by law, over a period of sixty months, or such shorter period as Franchisor, in its sole discretion, shall elect, with interest thereon at the prime interest rate as published by Bank of America or its successor, if applicable, determined as of the end of the calendar quarter immediately preceding the Termination Date.

17.07 Survival of Terms.

The terms of this Article 17 shall survive the termination, non-renewal or expiration of this Agreement for any reason.

~~Article 18 – Release From Franchisee Obligations~~

~~18.01 Release from Continuing Obligations.~~

~~At any time, upon not less than ninety (90) days prior written notice to Franchisor, Franchisee may secure a release from Franchisee's continuing obligations under this Agreement by executing a Release From Continuing Obligations in substantially the form of Addendum G. Upon receipt of a notice pursuant to this paragraph, Franchisor may, but is not obligated to, accelerate the effective date of Franchisee's termination to such date as Franchisor may select in Franchisor's sole discretion.~~

Article 198 – Arbitration of Disputes

198.01 Agreement to Arbitrate.

Except as provided in paragraph 198.04, any controversy or claim or dispute between the parties hereto or between any party hereto and any other person arising out of or relating to this Agreement, the negotiation thereof, the offer or acceptance thereof, or the performance or breach thereof, shall be settled by arbitration administered by the Canadian Chamber of Commerce, operating as ICC Canada, as the national committee to the ICC International Court of Arbitration. This Article shall be governed by the Rules of Arbitration of the International Chamber of Commerce. Any arbitration shall be before one or more arbitrators and shall take place in the Province of Quebec, Canada. No party shall join or attempt to join their claims in a single proceeding with the claims of any other party, person or entity even if similarly situated. The parties shall bear their own expenses, including their own attorney's fees and costs and shall share equally all expenses of the arbitrator.

198.02 *Conduct of Arbitration.*

Unless otherwise specifically required by applicable law, demand for arbitration or proceedings in arbitration, or court proceedings shall not operate to stay, postpone, prohibit or rescind any expiration, termination or non-renewal of this Agreement as provided in this Agreement, and the parties will be limited to their remedy in damages, as determined by the court or arbitrator, for non-renewal or termination found by the arbitrator to be wrongful. Damages would be an adequate remedy for any such wrongs. The court or arbitrator shall not extend, modify, or suspend any of the terms of this Agreement or the reasonable standards of business performance set by Franchisor would likely be unenforceable.

198.03 *Conditions Precedent to Arbitration.*

As conditions precedent to commencing an arbitration proceeding pursuant to this Agreement, the parties shall first comply with the terms of this paragraph 198.03. Failure to comply with this paragraph shall be a material breach of this Agreement and shall entitle the non-defaulting party to an award of all of their attorney's fees and costs reasonably expended in enforcing the terms of this paragraph. Such award of attorney's fees shall be made by the court enforcing this paragraph and shall be paid by the breaching party before and as a condition precedent to further proceeding in accordance with this Article. For the limited purpose of enforcing this Paragraph 198.03, each party hereby waives arbitration and the matter shall be heard by a Court of competent jurisdiction in the judicial district of Montreal, Quebec, Canada. Within not more than sixty days following the date on which the aggrieved party first discovered or reasonably should have discovered the facts of a dispute between the parties, but not more than one year after the date of the events or facts which gave rise to the dispute, the aggrieved party shall give a Notice to the other party (and any involved other persons) of the existence of the dispute, and shall set forth, in writing, a detailed description of the relevant facts together with a reasonably detailed description of the legal basis of the claim. The Notice shall include a detailed description by the aggrieved party of the remedy or outcome desired. The non-aggrieved party shall respond to the Notice within thirty days following its receipt. If the Notice and response does not resolve the dispute, the parties shall meet, in person, within sixty days following the date of the non-aggrieved party's response, in the corporate offices of the Franchisor, and attempt to informally resolve the matter. If the informal meeting does not resolve the matter, the parties shall, within sixty days following the date of the informal meeting, submit to non-binding mediation in the Province of Quebec, Canada with a mediator selected according to the Rules of Arbitration of the International Chamber of Commerce.

If the dispute is not resolved through mediation, then either party may commence an arbitration proceeding, but must do so within ninety days following the date that either party or the mediator has declared the mediation terminated. The demand for arbitration shall contain a certificate by the party commencing arbitration that the party has fully complied with every provision of this paragraph 198.03. Copies of the Notice and the response thereto exchanged pursuant to this paragraph shall be attached to the demand for arbitration and the issues in the arbitration shall be limited to matters contained therein.

198.04 *Limited Exceptions to Arbitration and Mediation.*

The requirements of paragraphs 198.01, 198.02, and 198.03 shall not apply to actions for the sole purpose of collecting unpaid money, including franchise fees, royalties or Marketing Fees pursuant to this Agreement or to actions for the sole purpose of enforcing Franchisor's rights in the Marks (both for injunctive relief and damages), the Confidential Information or Trade Secrets or the covenant against competition or solicitation. Such actions and claims are not submitted to arbitration. Any such actions and claims shall be brought in the Court of Quebec, Magog, Quebec. Any counterclaims to such actions and claims are submitted to arbitration and shall be subject to paragraphs 198.01, 198.02 and 198.03.

Article 2019 - Representations of Franchisee

1920.01 *Representations.*

Franchisee represents and warrants as follows:

1920.01.01 Franchisee is not currently a party to or subject to any contract or agreement, including any other franchise agreement, employment agreement or any covenant not to compete which would directly

or indirectly be breached by entering into this Agreement or which would directly or indirectly prohibit or restrict Franchisee's signing of this Agreement or performance thereunder;

1920.01.02 Franchisee is executing this Agreement and purchasing the license herein for Franchisee's own account and not as an agent or representative of another (unless for an Entity otherwise named herein and in compliance herewith);

1920.01.03 Franchisee intends to be actively involved in the Licensed Business for the entire term of this Agreement and knows of no reason that he/she might become a passive owner;

1920.01.04 Franchisee is basing Franchisee's decision to purchase this license, in full, upon statements and representations contained in this Agreement and the **GoliathTech** Franchise Disclosure Document and upon facts obtained pursuant to Franchisee's own investigation. Franchisee is not relying upon any statements or any information received either directly or indirectly from Franchisor or any person acting or purporting to act on behalf of Franchisor which information or statements are not contained in this Agreement or the **GoliathTech** Franchise Disclosure Document or otherwise in writing and signed by an officer of Franchisor. Franchisee has not received any earnings claims or financial performance information, directly or indirectly, from Franchisor accepting only such information as may be contained in Item 19 of the **GoliathTech** Franchise Disclosure Document.

2019.01.05 Franchisee has not terminated and will not terminate Franchisee's existing employment or cease any other income-producing activity until after franchisee has an approved location, has successfully completed the Initial Training, and is open for business. If Franchisee elects, notwithstanding this sub-paragraph to terminate employment or income-producing activity, Franchisee knowingly assumes the risk of loss of income and does so contrary to Franchisor's advice.

Article 210 - Miscellaneous Provisions

210.01 Non-waiver.

No act or omission or delay in enforcing a right by either party shall waive any right under or breach by the other of this Agreement unless such party executes and delivers a written waiver. The waiver by either party of any right under or breach of this Agreement shall not be a waiver of any subsequent or continuing right or breach.

210.02 Attorneys' Fees.

In the event that legal action is properly commenced in court by either party to enforce this Agreement or to determine the rights of any party, as permitted by paragraph 198, including any appeal proceeding, the substantially prevailing party, in addition to any other remedy, shall be entitled to receive its reasonable actual attorney's fees and costs, including expert fees and fees on appeal.

204.03 Severability.

In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction or by an arbitration panel, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby, and full effect shall be given to the intent manifested by the provisions, or portions thereof, held to be enforceable and valid, unless such invalidity shall pertain to the obligation to pay fees, in which event this Agreement shall terminate.

204.04 Warranty of Authority.

Each person signing this Agreement for or on behalf of any party to this Agreement warrants that he/she has full authority to sign and to legally bind the party.

204.05 Estoppel Certificate.

In the event that Franchisor is considering transferring, assigning or encumbering this Agreement, the System, or any other of Franchisor's rights or assets, or upon request by Franchisor at any time, Franchisee shall, within ten (10) calendar days after Franchisor shall request the same, execute, acknowledge and deliver to Franchisor, a written certificate that (a) this Agreement is unmodified and in

full force and effect (or, if modified, stating the nature of such modification and certifying that this Agreement as so modified is in full force and effect); (b) the date to which royalties or other charges have been paid in advance, if any; (c) there are not, to Franchisee's knowledge, any uncured defaults on the part of Franchisor or Franchisee hereunder, or specifying such defaults if any are claimed; (d) setting forth the dates of commencement and expiration of the Term of this Agreement; (e) Franchisee has and knows of no basis for any claims of any kind against Franchisor (or, if Franchisee has or knows of any such claims, a detailed statement of all such claims and a statement that Franchisee has and knows of no other claims); and (f) any other matter upon which certification is requested by Franchisor or a prospective assignee or encumbrancer. Franchisor may rely upon any certificate given pursuant to this sub-paragraph as may any prospective purchaser or encumbrancer of all or any portion of Franchisor's rights hereunder. Any failure or refusal to timely execute a truthful certificate pursuant to this sub-paragraph shall be a material breach of this Agreement.

204.06 Paragraph Headings.

The various paragraph headings are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement or any portion thereof.

204.07 Recitals.

The recitals preceding the first numbered paragraph of this Agreement are hereby made part of this Agreement as if set forth within the numbered paragraphs. All references to "Franchisee" shall include all owners, parents and subsidiaries of Franchisee if Franchisee is an entity.

204.08

The parties have expressly requested that this Agreement be drawn up in the English language. *Les parties ont expressément requis que ce contrat soit rédigé en langue anglaise.*

204.09 No Third-Party Beneficiary.

Nothing in this Agreement shall be construed to give Franchisee any rights as a third-party beneficiary or otherwise arising out of any similar or other agreement(s) between Franchisor and any other franchisee(s). Nothing in this Agreement shall be construed to give to any other franchisee or any other person any rights arising out of this Agreement. Any action or inaction by Franchisor with regard to any other franchisee's performance or non-performance as to any term of this or any similar agreement shall not give rise to any claims or rights in favor of Franchisee under this Agreement.

204.10 Choice of Law.

Except as otherwise specified herein, this Agreement shall be governed by and construed under laws of the Province of Quebec, Canada.

204.11 Notices.

All notices required or permitted by this Agreement ("Notice" or "Notices") shall be sent to the respective parties at the addresses set forth herein. The place of Notice may be modified by appropriate Notice to the other party. All Notices shall be sent by certified mail, return receipt requested, postage prepaid, personally delivered, or by facsimile, overnight delivery, or telegraph. Notices shall be deemed given at the earlier of (a) receipt by the addressee, including by facsimile or electronic mail, (b) two (2) days following deposit with the United States Postal Service or its successor, with postage prepaid, or (c) immediately upon refusal of delivery by the addressee.

204.12 Entire Agreement.

This document, together with any addenda appended hereto, constitutes the full and complete agreement between the parties hereto with respect to the subject matter hereof. There are no verbal or other agreements that affect or modify this Agreement. Any prior or contemporaneous representations, promises, contracts or agreements not contained in this Agreement or the Franchise Disclosure Document presented herewith are hereby fully superseded. No provision of the Franchise Agreement may disclaim or require the Franchisee to waive reliance on the representations made in the Franchise Disclosure Document.

201.13 Modification.

This Agreement shall not be modified or changed except by a written agreement executed by an officer of Franchisor. No approval of a deviation from the terms of this Agreement shall be valid unless signed by an officer of Franchisor.

201.14 Effective Date.

This Agreement shall have no force or effect unless and until signed by an officer of Franchisor. The effective date shall be the date of such corporate signature. Notwithstanding the order of signatures, this Agreement shall be deemed made and entered into in the state where the Licensed Business is located.

204.15 Time of Essence.

Time is of the essence of this Agreement.

Article 221 - Business Risk

212.01 No Promises

Franchisee has been informed by Franchisor, realizes and acknowledges that the business venture contemplated by this Agreement involves business risks and its success or failure will be largely dependent upon Franchisee's abilities in operating and managing the Licensed Business. Except to the extent expressly set forth in the **GoliathTech** Franchise Disclosure Document, neither Franchisor nor anyone acting or purporting to act on behalf of Franchisor has made any promises or warranties, expressed or implied, as to Franchisee's potential sales, profits or success. As to those issues, Franchisee has made its own investigation and evaluation.

221.02 Receipt for Disclosure Document.

Franchisee has received a copy of this Agreement and the **GoliathTech** Franchise Disclosure Document at least fourteen (14) days before signing this Agreement or paying any fee to Franchisor. Franchisee has received a complete copy of this Agreement and all addenda, with all material blanks filled in, at least seven (7) days before signing this Agreement. Franchisee has been encouraged and provided ample opportunity to consult an attorney or other advisor(s) of its own choosing before entering into this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year indicated below.

Dated: _____ [effective date]

Date signed: _____

FRANCHISOR:
GoliathTech Inc.

FRANCHISEE:

By _____
Julian Reusing, President & CEO
175B Peladeau,
Magog, Quebec, J1X 5G9, Canada.

By: _____

Franchisee
Address: _____

Phone: _____

Addendum A

Location of Licensed Business

The location of Franchisee's "GoliathTech" Licensed Business Premises shall be:

Street Address: _____

City: _____

State: _____

Addendum B

Territory

Franchisee's designated Territory shall be defined as follows:

The geographic boundaries or Zip Codes (all geographic boundaries or zip codes shall be as they exist on the date of this Agreement): _____

Map(s): Please see attached map(s).

Addendum C

Assignment of Telephone Number

_____ Franchisee/Assignor, in consideration of Franchisor/Assignee granting a **GoliathTech** franchise contemporaneously herewith, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby assigns to **GoliathTech** all telephone numbers and listings utilized or to be utilized by Franchisee/Assignor in the operation of his **GoliathTech** Licensed Business. The Assignee hereby assumes the performance of all of the Terms, Covenants, and Conditions of the agreement(s) with the telephone company with respect to such telephones, telephone numbers and telephone listings with the same force and effect as if Assignee had been originally issued such telephone, telephone numbers, telephone listings and the usage thereof. This Assignment is valid on the effective date and is irrevocable. It applies equally to any numbers first used after the effective date. The telephone company is authorized to rely upon this Assignment at any time that it is delivered to the telephone company by Franchisor/Assignee. Assignee and Assignor each agree to hold harmless and indemnify the telephone company from any claims based upon the telephone company's reliance upon this Assignment. Assignee and Assignor each agree to sign any other documents necessary in the opinion of the telephone company to give effect to this Assignment.

Dated: _____ [effective date]

Date signed: _____

GoliathTech
(Franchisor/Assignee)

FRANCHISEE
(Assignor)

By _____
Julian Reusing, President & CEO

By: _____
Franchisee

Address: _____

Address: _____

Subject telephone number(s):
(as of date of this document)

Phone: _____

Addendum D

Personal Guaranty

IN CONSIDERATION of and to induce the consent by GoliathTech Inc., a Canadian corporation ("Franchisor") to the assignment of all right, title, and interest in and to the **GoliathTech** Franchise Agreement dated _____ to _____, a _____ [Type of Entity and State of organization] ("Franchisee"), [or alternatively, in consideration of and to induce Franchisor's consent for the undersigned to enter into the Franchise Agreement in the Entity form], and for other good and valuable consideration, I/we, and each of us jointly, severally, absolutely and unconditionally guarantee to Franchisor:

1.01 Payment of Obligations.

The punctual payment and satisfaction of each and every claim, demand, default, liability, indebtedness, right or cause of action of every nature whatsoever, including expenses, damages and fees, now or hereafter existing, due or to become due, or held by Franchisor, its subsidiaries, divisions, or related companies, together with any interest as it may accrue, and all costs, expenses and attorney's fees paid or incurred by Franchisor or its subsidiary, division, or related company in collecting or attempting to collect the obligations of the Franchisee or in enforcing or attempting to enforce this Guaranty.

1.02 Continuing Performance.

The timely performance of each term, covenant, and obligation of the license set forth in the **GoliathTech** Franchise Agreement described above. This is a continuing Guaranty which shall apply to the Franchise Agreement and any subsequent renewals, extensions, amendments or modifications thereof, and such renewals, extensions, amendments or modifications shall be conclusively presumed to be covered by this Guaranty without further notice to or acceptance by the undersigned.

2.01 Execution and Delivery.

The undersigned acknowledge(s) and agree(s) that possession of this Guaranty by Franchisor constitutes true and correct execution and actual and proper delivery of same to Franchisor, and the undersigned waive notice of acceptance of this Guaranty and of the incurrence by Franchisee of any liability to which it applies or may apply, and waive presentment and demand for payment thereof, protest, notice of protest and notice of dishonor or non-payment thereof, collection thereof including any notice of default in payment thereof or other notice to, or demand of payment therefore on, any party. The undersigned further waive any right to have security applied before enforcing this Guaranty, any right to require suit against the Franchisee or any other party before enforcing this Guaranty, and any right to subrogation to Franchisor's rights against the Franchisee until the Franchisee's liabilities and obligations to Franchisor are paid and satisfied in full. Payment by the undersigned shall be made at the office of Franchisor in Magog, Quebec, J1X 5G9 , or such other location as Franchisor may designate in writing.

3.01 Rights of Company

Franchisor may, at its option, at any time, without the consent of or notice to the undersigned, without incurring responsibility to the undersigned and without impairing or releasing the obligations of the undersigned, upon or without any terms or conditions and in whole or in part:

3.01.01 Change the manner, place or terms of payment or change or extend the time of payment of, renew, or alter any obligation, liability or right of the Franchisee under the Franchise Agreement hereby guaranteed, or any liabilities incurred directly or indirectly hereunder, and the guaranty herein made shall apply to the obligations and liabilities of the Franchisee, so changed, extended, renewed or altered;

3.01.02 Exercise or refrain from exercising any rights against Franchisee or others, or otherwise act or refrain from acting;

3.01.03 Settle or compromise any liabilities hereby guaranteed or hereby incurred, and may subordinate the payment of all or any part of such liabilities to the payment of any liabilities which may be due to Franchisor or others; and

3.01.04 Apply any sums paid to any liability or liabilities of Franchisee to Franchisor regardless of what liability or liabilities of Franchisee remain unpaid. Franchisor may, at its option, without the consent of or notice to the undersigned, apply to the payment of the liability created by this guaranty, at any time after such liability becomes payable, any moneys, property, or other assets belonging to the undersigned in the possession, care, custody and control of Franchisor.

4.01 Irrevocable.

This agreement shall not affect in any manner the right of Franchisor to terminate the Franchise Agreement pursuant to the terms thereof, and this Guaranty shall survive the termination, expiration, or cancellation of the Franchise Agreement. Franchisor may at its option, elect to take no action pursuant to this Guaranty or the Franchise Agreement without waiving any rights under either. The undersigned do further agree that it will not be necessary for Franchisor, in order to enforce the terms of this agreement against them, to first institute suit or exhaust its remedies against the Franchisee or any others. This Guaranty shall operate as a continuing Guaranty and shall be non-revocable, except with the express written consent of Franchisor.

4.02 Joint and Several Liability.

The undersigned, if more than one, shall be jointly and severally liable hereunder and the term "undersigned" shall mean the undersigned or any one or more of them. Anyone signing this Guaranty shall be bound thereto at any time. Any married person who signs this Guaranty hereby expressly agrees that recourse may be had against his/her community and separate property for all obligations under this Guaranty.

4.03 Successors and Assigns.

This Guaranty shall bind and inure to the benefit of the heirs, executors, administrators, successors, and assigns of Franchisor and of the undersigned.

4.04 Non-Competition.

The undersigned hereby agree that they shall be individually bound by the provisions of the Franchise Agreement relating to trade secrets, confidentiality, and non-competition.

4.05 Bankruptcy or Insolvency of Franchisee.

In the event that a petition in bankruptcy or for an arrangement or reorganization of the Franchisee under any state or federal bankruptcy law or for the appointment of a receiver for the Franchisee or any of its property is filed by or against the Franchisee, or if the Franchisee shall make an assignment for the benefit of creditors or shall become insolvent, all indebtedness and other obligations of the Franchisee shall, for purposes of this Guaranty be immediately due and payable.

4.06 Choice of Forum.

Any action or claim arising out of or based upon this Guaranty shall be brought in the Court of Quebec, Magog, Quebec, Canada. Guarantors do hereby irrevocably consent to the jurisdiction of said court in any such matter.

4.07. Choice of Law.

The Canadian law shall govern this Guaranty.

WITNESS our hands at _____,
on this the _____ day of _____, 20__.

By: _____ [SIGNATURE] _____ % owner of Franchisee	By: _____ [SIGNATURE] _____ % owner of Franchisee
By: _____ [SIGNATURE] _____ % owner of Franchisee	By: _____ [SIGNATURE] _____ % owner of Franchisee
By: _____ [SIGNATURE] _____ % owner of Franchisee	By: _____ [SIGNATURE] _____ % owner of Franchisee

Addendum E

Trade Secrets & Confidentiality Agreement

This Agreement is made and entered into by and between _____, d/b/a **GoliathTech** (hereinafter, "the Franchisee") and _____, who is either a manager, employee, or a Member or shareholder of a Franchisee that is a legal entity, such as a limited liability company or a corporation (hereinafter referred to as "Employee").

WHEREAS, Franchisee is engaged is a franchisee of GoliathTech, Inc., ("Franchisor")doing business under the trade name and mark, "GoliathTech".

WHEREAS, Franchisee has a need to disclose certain proprietary information to Employee in the conduct of Employee's duties for Franchisee;

NOW THEREFORE, for and in consideration of the mutual covenants herein contained and other good and faithful consideration, the receipt and sufficiency of which is hereby acknowledged by each party, the parties hereby agree as follows:

4.

1. Definitions. As used in this Agreement:

1.1 "Confidential Information" means any information related to Franchisee or Franchisor that Franchisee discloses to Employee that Franchisee or Franchisor either designates as confidential; or that, by its nature, would reasonably be expected to be held in confidence or kept secret. Without limiting the definition of "Confidential Information", all the following shall be conclusively presumed to be Confidential Information whether or not Franchisor or Franchisee designates it as such: (i) Franchisor's Confidential Operations Manuals; (ii) Franchisee's cost information; (iii) materials describing the Franchisor's franchise network; (iv) Franchisor's training materials; and (v) other information Franchisee or Franchisor give to Employee in confidence, except where such information is a Trade Secret.

1.2 "Trade Secret" means information that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use. Without limiting the definition of "Trade Secrets," all the following shall be conclusively presumed to be Trade Secrets whether or not Franchisee or Franchisor designate them as such: (i) Franchisee's or Franchisor's methods and procedures; (ii) Franchisee's or Franchisor's sources of supply; and (iii) Franchisee's or Franchisor's advertising, marketing, and public relations strategies.

1.3 The terms "Confidential Information" and "Trade Secret" do not include, regardless of the means of disclosure: (i) information generally known to the trade or the public at the time Franchisee or Franchisor disclose it to me; (ii) information that becomes known to the trade or the public after Franchisee or Franchisor disclose it to me, unless it becomes known due to my breach of this Agreement; or (iii) information I can prove was known to me at the time Franchisee or Franchisor disclosed it to me.

2 Employer Owns All Incidents

Franchisor shall be entitled to all of the benefits, profits and other issues arising from or incident to all work, services, and advice of Employee relating to the Confidential Information or Trade Secrets or arising out of discussions with Franchisee regarding same, and in any way communicated to Franchisee or becoming known to Franchisee during or after the term of employment.

3. Nondisclosure

Employee shall not at any time or in any manner, either directly or indirectly, divulge, disclose or communicate to any unauthorized person(s) any information regarding any Confidential Information, Trade Secret(s) or any proprietary information of Franchisee or Franchisor. All such information shall be held by Employee in complete confidence. Such information is important, material, and confidential and gravely affects the effective and successful conduct of Franchisee's Licensed Business and goodwill. Should Employee, at any time, cease to be an employee of Franchisee, Employee shall immediately return to the Franchisee the originals and all copies of all documents or other media containing or representing the Confidential Information or Trade Secrets. Breach of any of the terms of this paragraph shall be a material breach of this Agreement. The terms of this paragraph shall survive termination of this Agreement for any reason. Employee shall be in breach of this Agreement during any month in which Employee or any third party has possession or use of any Confidential Information or Trade Secrets in violation of this Agreement.

4. Remedies

Employee agrees that, in the event of alleged breach, Franchisor or Franchisee shall be entitled, in addition to all other remedies available at law or in equity, to a temporary restraining order, a preliminary injunction and other interim relief and that the maximum bond to be required of Franchisor or Franchisee for such relief shall be ten dollars (\$10). Employee waives any right to a higher bond. Employee agrees that any action taken by Franchisee or Franchisor pursuant to this Agreement shall not constitute an election of remedies. In addition to, and not in lieu of, an injunction, Franchisee shall be entitled to a judgment against Employee for the greater of (a) Franchisee's actual damages (if provable under the circumstances) or (b) liquidated damages calculated as Employee's average monthly gross compensation for the last six months (or portion thereof) for which Employee was employed by Franchisee, multiplied by the number of months during which Employee was in breach of this Agreement. The parties mutually agree that the liquidated damages agreed herein are not a penalty, but are a best good faith effort to estimate what Franchisor's or Franchisee's actual damages would be in the event of a breach under circumstances where actual damages may, because of facts known at that time, not be readily susceptible of accurate calculation.

5. Enforcement by Franchisor

Both Franchisee and Employee acknowledge and agree that this Agreement is for the benefit not only of the Employer, but also of the Employer's Franchisor, **GoliathTech Inc.** Franchisee and Employee each agree that **GoliathTech Inc.** shall have the same right to enforce this Agreement as Franchisee has; provided only that as between Franchisee and **GoliathTech Inc.** they shall be entitled to only one recovery of damages or liquidated damages.

6. Effectiveness

This Agreement shall become effective when signed and shall be enforceable at any time thereafter.

6.1 Non-Waiver.

No act or omission or delay in enforcing a right by either party shall waive any right under or breach by the other of this Agreement unless such party executes and delivers a written waiver. The waiver by either party of any right under or breach of this Agreement shall not be a waiver of any subsequent or continuing right or breach.

6.2 Attorney's Fees.

In the event that legal action or arbitration is commenced by either party to enforce this Agreement or to determine the rights of any party, including any appeal proceeding, the substantially prevailing party, in addition to any other remedy, shall be entitled to receive its reasonable attorney's fees and costs.

6.3 Severability.

In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby, and full effect shall be given to the intent manifested by the provisions, or portions thereof, held to be enforceable and valid, unless such invalidity shall pertain to the obligation to pay fees, in which event this Agreement shall terminate.

6.4 Warranty of Authority.

Each person signing this Agreement for or on behalf of any party to this Agreement warrants that he/she has full authority to sign and to legally bind the party.

6.5 Paragraph Headings.

The various paragraph headings are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Agreement or any portion thereof.

6.6 Recitals.

The recitals preceding the first numbered paragraph of this Agreement are hereby made part of this Agreement as if set forth within the numbered paragraphs.

6.7 Choice of Law.

This Agreement shall be governed by and construed under the laws of the state in which the Licensed Business is located.

6.8 Notices.

All notices required or permitted by this Agreement shall be sent to the respective parties at the addresses set forth herein. The place of notice may be modified by appropriate registered or certified mailing to the other party. All notices shall be sent by certified mail, return receipt requested, postage prepaid, or personally delivered. Notices shall be deemed given at the earlier of (a) receipt by the addressee or (b) two (2) days following deposit with the United States Postal Service or its successor.

6.9 Entire Agreement.

This document, together with any exhibits and addenda appended hereto, constitutes the full and complete agreement between the parties hereto with respect to the subject matter hereof. There are no verbal or other agreements that affect or modify this Agreement. Any prior representations, promises, contracts or agreements are hereby fully superseded.

6.10 Modification.

This Agreement shall not be modified or changed except by a written agreement executed by an officer of Franchisee. No approval of a deviation from the terms of this Agreement shall be valid unless signed by an officer of Franchisee.

(SIGNATURES CONTINUED ON FOLLOWING PAGE)

Date: _____

FRANCHISEE	EMPLOYEE
By _____ Name, Title	By: _____ Signature
Address: _____	Address: _____
_____	_____
_____	_____
	Phone: _____

Addendum F

Mutual Termination and Release Agreement

THIS MUTUAL TERMINATION AND RELEASE AGREEMENT (this "Agreement") is made and entered into the _____ day of _____, by and between GOLIATHTECH, INC., a Canadian corporation with its principal business address at 1350 Boulevard Industriel, Magog, Quebec, J1X 4V9, Canada ("GOLIATHTECH"), and _____ ("Franchisee").

RECITALS

A. GOLIATHTECH and Franchisee entered into a Franchise Agreement dated _____ (the "Franchise Agreement").

B. GOLIATHTECH and Franchisee mutually agree to terminate the Franchise Agreement and as consideration therefore, enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and commitments set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of all of which the parties hereby acknowledge, the parties hereby agree as follows:

1. Termination of the Franchise Agreement. The Franchise Agreement shall terminate effective _____ (the "Termination Date"). Franchisee shall continue to be bound by all other post-termination obligations that expressly or by their essential purpose are intended to survive the termination of the Franchise Agreement, including, but not limited to Articles 16 and 17 of the Franchise Agreement.

2. Add other provisions as may be applicable

3. Release; Estoppel; Covenant Not to Sue; Indemnification by Franchisee Releasing Parties.

3.1 **Release.** Contingent upon GOLIATHTECH's payment of the consideration set forth in this Agreement, Franchisee, for itself and its agents, and attorneys, successors, heirs, and assigns of any and all of the foregoing (collectively, the "Franchisee Releasing Parties"), hereby release, remise, acquit, and forever discharge GOLIATHTECH and its directors, officers, shareholders, employees, agents, and attorneys, and GOLIATHTECH's affiliates, and each and all of such affiliates' directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the predecessors, successors, heirs, and assigns of any and all of them (collectively, the "GOLIATHTECH Parties Released"), from and against any and all obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages, expenses, costs, liability, and liabilities of any nature or kind, contingent or fixed, known or unknown, at law or in equity or otherwise, that arise out of or are related to, or that may hereafter arise out of or relate to, for any matter prior to the Termination Date.

3.1.1 Franchisee, for itself and the other Franchisee Releasing Parties, hereby covenants, warrants, represents, and agrees that neither it nor they nor any of them have assigned or transferred any of the obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages, expenses, costs, liability, or liabilities described in this Section 3.1 of this Agreement to any third party.

3.1.2 If any Franchisee Releasing Party raises or asserts any obligation, claim, demand, right, action, or cause of action described in this Section 3.1 of this Agreement, or alleges any debt, loss, losses, damage, damages, expense, cost, liability, or liabilities described in this Section 3.1 of this Agreement, this Section 3.1 shall be a complete and conclusive defense thereto.

3.2 **Covenant Not to Sue.** Franchisee, for itself and the other Franchisee Releasing Parties, hereby covenants, warrants, represents, and agrees that neither it nor they nor any of them will: (i) make or raise any claim, counterclaim, crossclaim, affirmative defense, or demand; (ii) commence, or cause or permit to be commenced; (iii) prosecute, or cause or permit to be prosecuted; or (iv) assist or cooperate in the commencement or prosecution of, any suit or action at law or in equity or otherwise, any arbitration or like proceeding, or any administrative or agency proceeding, against or related to the GOLIATHTECH Parties Released, or any of them, for any matter arising out of or related to, or that may hereafter arise out of or relate to: (a) the Release set forth in Section 3.1 of this Agreement; or (b) any matter that is within the ambit of such Release.

4. **Release; Estoppel; Covenant Not to Sue; Indemnification by GOLIATHTECH Releasing Parties.**

4.1 **Release.** Contingent upon Franchisee's production of the Materials as set forth in Section 2 of this Agreement, and its performance of all of its post-termination obligations pursuant to the terms of the Franchise Agreement and this Agreement, GOLIATHTECH, for itself and its affiliates, and for its and such affiliates' directors, officers, shareholders, partners, members, employees, agents, and attorneys, and for the predecessors, successors, heirs, and assigns of any and all of the foregoing (collectively, the "GOLIATHTECH Releasing Parties"), hereby release, remise, acquit, and forever discharge Franchisee and its officers, members, employees, agents, and attorneys, and Franchisee's affiliates, and each and all of such affiliates' directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the predecessors, successors, heirs, and assigns of any and all of them (collectively, the "Franchisee Parties Released"), from and against any and all obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages, expenses, costs, liability, and liabilities of any nature or kind, contingent or fixed, of which such GOLIATHTECH Releasing Party knows or should through the exercise of reasonable diligence should know, at law or in equity or otherwise, that arise out of or are related to, or that may hereafter arise out of or relate to, for any matter prior to the Termination Date.

4.1.1 GOLIATHTECH, for itself and the other GOLIATHTECH Releasing Parties, hereby covenant, warrant, represent, and agree that neither it nor they nor any of them have assigned or transferred any of the obligations, debts, claims, demands, rights, actions, causes of action, loss, losses, damage, damages, expenses, costs, liability, or liabilities described in this Section 4 of this Agreement to any third party.

4.1.2 If any GOLIATHTECH Releasing Party raises or asserts any obligation, claim, demand, right, action, or cause of action described in this Section 4 of this Agreement, or alleges any debt, loss, losses, damage, damages, expense, cost, liability, or liabilities described in this Section 4 of this Agreement, this Section 4 shall be a complete and conclusive defense thereto.

4.2 **Covenant Not to Sue.** GOLIATHTECH, for itself and the other GOLIATHTECH Releasing Parties, hereby covenant, warrant, represent, and agree that neither it nor they nor any of them will: (i) make or raise any claim, counterclaim, cross claim, affirmative defense, or demand; (ii) commence, or cause or permit to be commenced; (iii) prosecute, or cause or permit to be prosecuted; or (iv) assist or cooperate in the commencement or prosecution of, any suit or action at law or in equity or otherwise, any arbitration or like proceeding, or any administrative or agency proceeding, against or related to the Franchisee Parties Released, or any of them, for any matter arising out of or related to, or that may hereafter arise out of or relate to: (a) the Release set forth in Section 4 of this Agreement; or (b) any matter that is within the ambit of such Release.

5. **Acknowledgments.**

5.1 **Voluntary Nature of Agreement.** Franchisee, for itself and the other Franchisee Releasing Parties, hereby acknowledges and agrees that: (i) it has freely and voluntarily entered into this Agreement, including without limitation the Release, Covenant Not to Sue, and Indemnification set forth in Section 3 of this Agreement; (ii) it has had a full and fair opportunity to consult with its legal counsel with respect to this Agreement, including without limitation such Release, Covenant Not to Sue, and Indemnification, and that it has in fact done so; and (iii) it has carefully read and fully understands this Agreement.

5.2 Remedies. The parties hereby acknowledge and agree that: (i) in the event of any breach of Sections 3 or 4 of this Agreement, the respective party released thereby would be irreparably injured and without adequate remedy at law; and (ii) in the event of a breach or a threatened or attempted breach of any provision of Sections 4 or 5, the injured party will be entitled, in addition to any other remedies such party may have at law or in equity or otherwise, to a preliminary and permanent injunction and a decree for specific performance of the provisions of Section 3 or 4 without the necessity of showing actual or threatened damage and without being required to furnish a bond or other security.

6. Confidentiality. Franchisee agrees that it will keep the terms and conditions of this Agreement confidential. Franchisee may, however disclose this Agreement and its contents to its legal or financial advisers.

7. Miscellaneous.

7.1 Time. Time is of the essence to the performance of all obligations of the parties to be performed under this Agreement.

7.2 Amendments. This Agreement may be amended only by a written agreement signed by the parties.

7.3 Waiver and Delay. No waiver or delay by GOLIATHTECH in requiring strict compliance with any obligation of this Agreement, or in the exercise of any right or remedy provided in this Agreement or at law or in equity or otherwise, and no custom or practice at variance with the requirements of this Agreement, will constitute a waiver or modification of any such obligation, right, remedy, or requirement, or preclude the exercise of any such right or remedy or the right to require strict compliance with any obligation set forth in this Agreement, or will preclude, affect, or impair enforcement of any right or remedy provided in this Agreement or at law or in equity or otherwise. All remedies under this Agreement, at law, in equity, or otherwise, afforded to GOLIATHTECH shall be cumulative and not alternative, and may be exercised simultaneously or sequentially in any order.

7.4 Attorneys' Fees. In the event of any dispute or litigation arising out of or related to this Agreement, including without limitation any dispute or litigation arising out of or related to the making of this Agreement, the prevailing party, on demand, shall pay the other party's costs, including without limitation, reasonable attorneys' fees and costs.

8. Construction.

8.1 Construe In Favor of Enforcement. In the event of any litigation or like event or occurrence arising out of or related to Franchisee's or any other releasing party's obligations set forth in this Agreement, or arising out of or related to the matters set forth in this Agreement, Franchisee, for itself and the other Franchisee Releasing Parties, hereby directs any third party construing this Agreement, including without limitation any court, mediator, master, or other party acting as a trier of fact or law, to construe such provisions broadly in favor of enforcement.

8.2 Merger: Entire Agreement. This Agreement is a complete integration that sets forth the entire agreement between the parties, fully superseding any and all prior negotiations, agreements, representations, or understandings between GOLIATHTECH and Franchisee, whether oral or written, arising out of or related to the matters set forth in this Agreement. GOLIATHTECH and Franchisee hereby expressly affirm that there are no oral or written agreements, side-deals, arrangements, or understandings between them arising out of or related to the matters set forth in this Agreement except as expressly set forth in this Agreement. No course of dealing, whether occurring before or after the date of this Agreement, shall operate to amend, terminate, or waive any express written provision of this Agreement.

8.3 Effect of Recitals. The Recitals to this Agreement shall be construed as a material and enforceable part of this Agreement for all purposes and shall in no event be considered prefatory language or mere surplusage.

8.4 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same agreement.

8.5 Submission of Agreement; Effectiveness. Submission of this Agreement to Franchisee does not constitute an offer to enter into a contract. This Agreement shall not be binding on GOLIATHTECH unless and until: (i) it is duly executed by GOLIATHTECH's authorized officer; and (ii) such duly-executed Agreement is delivered to Franchisee.

IN WITNESS WHEREOF, the parties to this Agreement, intending to be legally bound by this Agreement, have duly executed and delivered this Agreement as of the Effective Date.

GOLIATHTECH: _____

FRANCHISEE: _____

GoliathTech, Inc.

By: _____

Julian Reusing, President & CEO

This Mutual Termination of ~~GoliathTech Franchise Agreement and Release~~ is entered into by and between _____ (Franchisee) and ~~GoliathTech Inc.~~ (Franchisor).

~~WHEREAS~~ Franchisee is a franchisee of Franchisor pursuant to a franchise agreement dated _____ (the Agreement), governing a Licensed Business located at _____.

~~WHEREAS~~ Franchisee and Franchisor desire to mutually terminate the Agreement and wind up and resolve all matters between them relating to or arising out of the Agreement and their relationship as Franchisor and Franchisee; and

~~WHEREAS~~ Franchisee and Franchisor each desire to be bound by the terms of this Mutual Termination of ~~GoliathTech Franchise Agreement and Release~~,

~~NOW THEREFORE~~, the parties hereby agree as follows, acknowledging that each has received adequate consideration for this agreement.

1. ~~Franchisee and Franchisor each acknowledge and agree that, by entering into this Agreement, all of their respective rights under the Agreement are terminated except only as specifically reserved herein.~~

2. ~~Except for any remaining financial obligations of Franchisee to Franchisor for franchise fees or for goods purchased and except for any post-termination requirements of the Agreement involving competition and trade secrets, all claims, demands, rights, duties, obligations, debts, dues, sums of money, accounts, covenants, contracts, controversies, agreements, promises, torts, judgments, executions, liabilities, damages, injunctions, assignments, suits or causes of action of every kind and nature, however or wherever arising, whether known or unknown, foreseen or unforeseen, direct, indirect, contingent or actual, liquidated or unliquidated, which have arisen or which might or could arise under Federal, state or local law from any relationship under the Agreement (including any supplier-purchaser relationship) or under any agreement in connection therewith, or from the execution, operation under or termination of the Agreement and any services to Franchisee thereunder or under any prior agreement relating to the Licensed Business, existing or arising at any time prior to or at the item of the execution hereof or the Effective Date (whichever is later) are hereby mutually satisfied, acquitted, discharged and released by Franchisee and Franchisor, it being the express intention of each party that this Release is as broad as permitted by law.~~

3. ~~Franchisee intends this Release to acquit and forever fully discharge Franchisor and any parent or direct or indirect subsidiary thereof, any division, affiliate or supplier who provided merchandise for Franchisee's operation of the Licensed Business, and its and their respective officers, directors, agents, employees, representatives, successors and assigns, and all other persons, firms or corporations who have acted in agreement or in concert with any of them or with Franchisee.~~

4. ~~This Mutual Termination of **GoliathTech** Franchise Agreement and Release shall be binding upon Franchisee and the heirs, legal representatives, successor and assigns of Franchisee and upon Franchisor and its successors and assigns.~~

5. ~~Franchisee has either been advised by independent counsel before signing this or, acknowledging the need for independent counsel, knowingly waives any such review and advice.~~

6. ~~In the event of litigation or arbitration to enforce this Agreement, the substantially prevailing party shall be entitled to its reasonable attorney's fees in addition to all other sums owed pursuant to this Agreement or otherwise.~~

7. _____ The Effective Date of this document shall be: _____

Franchisee(s)	Franchisor - GoliathTech Inc.
By: _____ _____ Franchisee	By: _____ _____ Name
By: _____ _____ Franchisee	_____ _____ Title

Addendum G

Release From Continuing Obligations

This Release From Continuing Obligations is entered into by and between _____

(Franchisee) and **GoliathTech Inc.** (Franchisor).

WHEREAS Franchisee is a franchisee of Franchisor pursuant to a franchise agreement dated _____

(the Agreement), governing a Licensed Business located at _____

WHEREAS Franchisee desires to be released from certain of Franchisee's continuing obligations under the terms of the Agreement; and

WHEREAS Franchisor is willing to release Franchisee from certain continuing obligations under the terms of the Agreement, but only upon the terms and conditions herein;

NOW THEREFORE, the parties hereby agree as follows, acknowledging that each has received adequate consideration for this agreement.

1. Release From Continuing Obligations

For the consideration set forth in Liquidated Damages below, Franchisor hereby releases Franchisee from Franchisee's continuing obligations under the Agreement to the extent set forth in Liquidated Damages. Except to the extent specifically released by Franchisor according to this Release from Continuing Obligations, Franchisee shall continue to be obligated and shall continue to fully and timely perform all of Franchisee's continuing obligations under the Agreement.

2. Liquidated Damages

Upon the termination of this Agreement prior to the expiration of the Initial Term you will pay us, as liquidated damages for the loss of the benefit of the bargain We are entitled to receive as a result of such termination, a lump-sum payment equal to the average monthly Local Marketing and Marketing Fee contributions you were obligated to pay during the fifty two (52) week period immediately preceding such termination, or such shorter period as you actually operated the BUSINESS, times thirty-six (36) months or the number of months remaining in the term, whichever is less. You will pay the Liquidated Damages amount to us within ten (10) days after our demand. You acknowledge and agree, and you direct any party construing this Agreement to conclusively presume, that the Liquidated Damages: (i) are true liquidated damages; (ii) are intended to compensate us for the harm We will suffer; (iii) are not a penalty for breaching this Agreement or for any other reason; (iv) are a reasonable estimate of our probable loss resulting from your defaults; and (v) will be in addition to all other rights We have to legal or equitable relief.

3. Mutual Release and Termination

3.01 — Franchisee and Franchisor each acknowledge and agree that, by entering into this Agreement, all of their respective rights under the Agreement are terminated except only as specifically reserved herein. The parties specifically agree to fully and timely perform pursuant to this Release From Continuing Obligations.

3.02 — Except for any existing financial obligations of Franchisee to Franchisor for franchise fees or for goods purchased and except for any post-termination requirements of the Agreement specifically preserved by this Release From Continuing Obligations, all claims, demands, rights, duties, obligations, debts, dues, sums of money, accounts, covenants, contracts, controversies, agreements, promises, torts, judgments, executions, liabilities, damages, injunctions, assignments, suits or causes of action of every kind and nature, however or wherever arising, whether known or unknown, foreseen or unforeseen, direct, indirect, contingent or actual, liquidated or un-liquidated, which have arisen or which might or could arise under Federal, state or local law from any relationship under the Agreement (including any supplier-purchaser relationship) or under any agreement in connection therewith, or from the execution, operation under or termination of the Agreement and any services to Franchisee thereunder or under any prior agreement relating to the Licensed Business, existing or arising at any time prior to or at the time of the execution hereof or the Effective Date (whichever is later) are hereby

~~mutually satisfied, acquitted, discharged and released by Franchisee and Franchisor, it being the express intention of each party that this Release is as broad as permitted by law.~~

~~3.03— Franchisee intends this Release to acquit and forever fully discharge Franchisor and any parent or direct or indirect subsidiary thereof, any division, affiliate or supplier who provided goods or services for Franchisee's operation of the Licensed Business, and its and their respective officers, directors, agents, employees, representatives, successors and assigns, and all other persons, firms or corporations who have acted in agreement or in concert with any of them or with Franchisee.~~

~~4.— This Release of Continuing Obligations shall be binding upon Franchisee and the heirs, legal representatives, successors and assigns of Franchisee and upon Franchisor and its successors and assigns.~~

~~5.— Franchisee has either been advised by independent counsel before signing this or, acknowledging the need for independent counsel, knowingly waives any such review and advice.~~

~~6.— Terms defined in the Franchise Agreement shall have the same meanings in this Agreement. Jurisdiction and Venue shall be in Quebec, Canada. The law of the state where the Licensed Business is located (except any choice of law provisions thereof) shall govern interpretation of this Agreement. In the event of litigation or arbitration to enforce this Agreement, the substantially prevailing party shall be entitled to its reasonable attorney's fees in addition to all other sums owed pursuant to this Agreement or otherwise.~~

~~7.— The Effective Date of this document shall be: _____~~

Franchisee(s)	Franchisor - GoliathTech Inc.
By: _____ _____ Franchisee	By: _____ _____ Name
By: _____ _____ Franchisee	_____ _____ Title

**EXHIBIT C TO THE DISCLOSURE DOCUMENT
List of Current and Former Franchisees**

List of Franchisees

List of Franchisees

Information current as of January 31, 2019

Alaska

GoliathTech Alaska
Tim Mersdorf/Bobbi Jo Mersdorf
(1 Franchise)
950 Bench Court
Homer, AK 99504
(907) 290-7016

Alabama

Gulf States Construction & Piles LLC
Robert Brooks
(.5 Franchise)
1561 Grove Hill Road
Auburn, AL, 35630
(205) 266-6342

Rose Office Systems
Gary Cain
(1 Franchise)
1265 Hwy 87
Calera, AL, 35040
(205) 663-2210

California

GTWest Techpiles
Lawrence Reusing
(8 Franchises)
1651 E. St. Andrews Place
Santa Ana, CA 92705
(949) 943-0749

Connecticut

Sunstone Const. Services
Marc Paradis
(7 Franchises)
P. O. Box 3
Colchester, CT 06415
(860) 531-3188

Delaware

GS Piles
Deneen Thompson
(2 Franchises)
15 Stallion Drive
Newark, DE 19713
(302) 353-2069

Florida

ACE Foundation & Systems
Alan Egert
(1 Franchise)
11950 W Dixie Hwy,
Miami, FL, 33161
(305) 892-8453

Gulf States Construction & Piles LLC
Robert Brooks
(.5 Franchise)
1561 Grove Hill Road
Auburn, AL, 35630
(205) 266-6342

Idaho

GoliathTech Utah
Ryan Mock
(2 Franchises)
3400 N 1000 W,
Pleasant View, UT, 84414
801-839-5283

Illinois

GoliathTech of St. Louis LLC
Eric Davis
(2 Franchises)
54 South Rapp Ave.

Columbia, IL 62236
(618) 410-7816

Badgerland Pile Co. LLC
Thomas Hattori
(1 Franchise)
1686 Journeys Drive
Hartland, WI 53029
(262) 370-3361

Iowa

GoliathTech Minnesota
Jeff Prebil
(5.5 Franchises)
8840 Xylite St., NE
Blaine, MN 55449
(612) 405-7785

Kansas

GoliathTech Kansas City
Mike Davis
(1 Franchise)
10340 Cherokee Lane
Leawood, KS, 66206
(816) 332-1300

Maine

GoliathTech Maine
Kevin Ouellette
(1 Franchise)
381 Middle Road
Fairfield, ME 04937
(207) 453-2668

Massachusetts

Goliathtech New England
Jeff O'Rourke
(11 Franchises)
389 Concord Rd.
Billerica, MA 01821
(781) 710-2042

Sunstone Const. Services
Marc Paradis
(3 Franchises)
P. O. Box 3
Colchester, CT 06415
(860) 531-3188

Michigan

Woodcraft Design and Build
Keith Hay
(1 Franchise)
2420 Crooked Lake
Howell, MI, 48843
(734) 756-5640

Minnesota

GoliathTech Minnesota
Jeff Prebil
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Missouri

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Columbia, IL 62236
(618) 410-7816

GoliathTech Kansas City
Mike Davis
(1 Franchise)
10340 Cherokee Lane
Leawood, KS, 66206
(816) 332-1300

New Jersey

Sure Footing, Inc.
Tomas P. Corbett
(5 Franchises)
3121 Fire Rd.
Egg Harbor Twp., NJ 08234
(609) 744-5696

GoliathTech NJ Inc.

Jon Colbasiuc
(2 Franchises)
3 Westbrook Ave
Hillsborough, NJ, 08844
(732) 853-2115

New Hampshire

GoliathTech New England
Jeff Rourke
(3 Franchises)
389 Concord Road
Billerica, MA, 01821
(781) 710-2042

New Mexico

LLR Construction LLC
David Langley
(1 Franchise)
2015 Wyoming Blvd NE STE I
Albuquerque, NM, 87112
(505) 365-1184

New York

Excellent Exterior and Deck Company,
Inc.
Joseph Vitale/Jeff Miller
(5 Franchises)
481 Miller Road
Clifton Park, NY 12065
(518) 466-4011

MPG Properties LLC

Michael Gish
(3 Franchises)
490 Center Road West
Seneca, NY 14224
(716) 432-8455

GoliathTech of Central New York
Ian Storsberg, Sean Wlock, Dave Fasolino
(2 Franchises)
6190 Walker Road,
Deerfield, NY, 13502
(315) 525-6833

American Deck Builders
Brendon Lawrence
(1 Franchise)
8 John Smith Rd,
Binghamton, NY, 13901
(607) 624-4321

North Carolina

Carolina Piles LLC
Jonathan Andrews
(2 Franchises)
2424 Emily Brook Way,
Apex, NC, 27523
(704) 307-9975

GoliathTech of the Southern Piedmont
Alan Parker
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Concord, NC, 28025
(704) 579-6633

GoliathTech WNC
Evan McIntosh, Courtney Money-McIntosh
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1986 Old Fanning Bridge Rd
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(828) 284-0183

North Dakota

GoliathTech Minnesota
Jeff Prebil
(.5 Franchise)
8840 Xylite St., NE
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Ohio

Sinacola, LLC
Anthony Sinacola
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1301 E. 2nd St.
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(419) 705 4913

Oregon

Roberto Cortez
(4 Franchises)
15111 NE 244th St.
Battle Ground, WA 98604
(971-226-6179

Pennsylvania

GoliathTech Keystone
Joshua Miller
(4 Franchises)
Red Lion, PA 17356
(717) 693-2999

Rhode Island

GoliathTech New England
Jeff O'Rourke
(2 Franchises)
389 Concord Road
Billerica, MA 01821
(781) 710-2042

South Dakota

GoliathTech Minnesota
Jeff Prebil
(2 Franchises)
8840 Xylite St., NE
Blaine, MN 55449
(612) 405-7785

Tennessee

GoliathTech Minnesota

Jeff Prebil

(1 Franchise)

8840 Xylite St., NE

Blaine, MN 55449

(612) 405-7785

Utah

GoliathTech Utah

Ryan Mock

(4 Franchises)

3400 N 1000 W,

Pleasant View, UT, 84414

801-839-5283

Vermont

Business to M2M

Max Murray

(3 Franchises)

88B North St,

Bristol, VT, 05443, US

(802) 992-8959

Washington

Roberto Cortez

(2.5 Franchises)

15111 NE 244th St.

Battle Ground, WA 98604

(971) 226-6179

Ryan Bettger

(1.5 Franchises)

5451 Timber Ridge Dr.

Mt. Vernon, WA 98273

(360) 202-9910

Newport West LLC

Mike Nykreim

(1 Franchise)

4958 126th Ave. SE

Bellevue, WA, 98006

(425) 201-0001

Wisconsin

Badgerland Pile Co. LLC

Thomas Hattori

(5 Franchises)

1686 Journeys Dr.

Hartland, WI 53029

(262) 370-3361

GoliathTech of South East WI

John Achim

(1 Franchise)

N68 W13159 Ranch Road

Menomonee Falls, WI 53051

(262) 735-5253

GoliathTech of Western Wisconsin

Jae Cho/Howard Huang

(1 Franchise)

2433 Fillmore St. #380-1992

San Francisco, CA 94115

(307) 254-0007

GoliathTech Minnesota

Jeff Prebil

(2 Franchises)

8840 Xylite St., NE

Blaine, MN 55449

(612) 405-7785

Wyoming

GoliathTech WY

(1 Franchise)

Greg Bennett/Tonya Bennett

424 Hamilton Way

Powell, Wy 82435

(307) 254-0007

The following franchisees have had a franchised unit at which they ceased to do business under the franchise agreement during the most recently completed fiscal year. The addresses and telephone numbers are the last known to the Franchisor.

Georgia

Sun Pro LLC
Joe Furlong
(1 Franchise)
535 State RD 5-27-14,
Hardeeville, SC 29927
(603) 309-0048

Massachusetts

Sun Pro LLC
Joe Furlong
(.5 Franchise)
535 State RD 5-27-14,
Hardeeville, SC 29927
(603) 309-0048

Michigan

GoliathTech of Michigan
Khalid Jamal
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2433 Bay Side Avenue,
Portage, MI, 49002
(269) 599-6747

New Hampshire

Matthewson CO
Garrick Raczek
(2 Franchises)
160 Norway Hill Rd,
Hancock, NH, 03449
(603) 525-3549

North Carolina

Nats Screw Piles LLC
Natalia Giancola
(2 Franchises)
1800 Broomhurst Lane,
Apex, NC, 27502
(919) 209-8616

Ohio

Ohio Pile Drivers LLC
Mickey List
(1 Franchise)
418 Cornell Ave,
Terrace Park, OH, 45174
(513) 629-0808

South Carolina

Sun Pro LLC
Joe Furlong
(.5 Franchise)
535 State RD 5-27-14,
Hardeeville, SC 29927
(603) 309-0048

Built Right Construction LLC

Chris Pelletier
(1 Franchise)
PO BOX 1534
Mount Pleasant SC, 29465
(843) 576-9363

Texas

Westonry Holdings LLC
Tony Cheia
(2 Franchises)
122 Rose Lane #P3
Frisco, TX, 75034
(469) 428-0943

Rock Solid Helical Pile LLC

Ward Taylor
(2 Franchises)
13231 Champion Forest Drive, Ste. 203,
Houston, TX, 77069
(346) 270-4950

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

Information current as of **January 31, 2019**

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Mike Barth/Danny Stanislaw
3800 Sterling Highway
Homer, AK 99603
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California

GTWest Techpiles
c/o Lawrence Reusing/Leigh Hassell
(8 Franchises)
1651 E. St. Andrews Place
Santa Ana, CA 92705
(949) 943-0749

Connecticut

Sunstone Const. Services (7 Franchises)
c/o Marc Paradis
P. O. Box 3
Colchester, CT 06415
(860) 531-3188

Delaware

GS Piles
Deneen Thompson (2 Franchises)
15 Stallion Drive
Newark, DE 19713
(302) 353-2069

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ACE Foundation & Systems
Allan Egert
11950 W Dixie Hwy,
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(305) 892-8453

Idaho

GoliathTech Utah
Ryan Mock (2 Franchises)
3400 N 1000 W,
Pleasant View, UT, 84414
801-839-5283

Illinois

GoliathTech of St. Louis LLC
Eric Davis (2 Franchises)
54 South Rapp Ave.
Columbia, IL 62236
(618) 410-7816

Badgerland Pile Co. LLC
Thomas Hattori
1686 Journeys Drive
Hartland, WI 53029
(262) 370-3364
(262) 227-1513

Iowa

GoliathTech Minnesota (6 Franchises)
c/o Jeff Probil
8840 Xylite St., NE
Blaine, MN 55449
(612) 405-7785

Kansas

GoliathTech Kansas City
Mike Davis
10340 Cherokee Lane
Leawood, KS, 66206
(816) 332-1300

Maine

GoliathTech Maine
c/o Kevin Ouellette
381 Middle Road
Fairfield, ME 04937
(207) 453-2668

Massachusetts

Goliathtech New England
Jeff O'Rourke
(11 Franchises)
389 Concord Rd.
Billerica, MA 01821
(781) 710-2042
Sunstone Const. Services (3 Franchises)
c/o Marc Paradis
P. O. Box 3
Colchester, CT 06415
(860) 531-3188

Michigan

GoliathTech of Michigan
Khalid Jamal
2433 Bay Side Avenue
Portage, MI, 49002
(269) 599-6747

Woodcraft Design and Build

Keith Hay
2420 Crooked Lake
Howell, MI, 48843
(734) 756-5640

Minnesota

GoliathTech Minnesota (11 Franchises)
c/o Jeff Prebil/Paul Cruys/Craig Elsesser
8840 Xylite St., NE
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Missouri

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514 South Rapp Ave.
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(618) 410-7816

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Egg Harbor Twp., NJ 08234
(609) 744-5696

GoliathTech NJ INC
Jon Colbasiuc
3 Westbrook Ave
Hillsborough, NJ, 08844
(732) 853-2115

New Hampshire

Mathewson Co.
Garrick Raczek (2 Franchises)
160 Norway Hill Road
Hancock, New Hampshire 03449
(603) 525-3549

GoliathTech New England (3 Franchise)
c/o Jeff Rourke/John McCallion
389 Concord Road
Billerica, MA 01821
(781) 710-2042

New Mexico

GoliathTech New Mexico
LLR Construction LLC
David Langley
2015 Wyoming Blvd NE STE 1
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(505) 365-1184

New York

Excellent Exterior and Deck Company,
Inc. (5 Franchises)
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481 Miller Road
Clifton Park, NY 12065
(518) 466-4011

MPG Properties LLC
Michael Gish (2 Franchises)
490 Center Road West
Seneca, NY 14224
(716) 432-8455

Dave Fasolino (2 Franchises)
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Ian Storsberg, Sean Wlock, Dave Fasolino
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Deerfield, NY, 13502
(315) 525-6833

American Deck Builders
Brendon Lawrence
8 John Smith Rd,
Binghamton, NY, 13901
(607) 624-4321

North Carolina

GoliathTech NC
Neal Goffman & Natalia Giancola
(5 Franchises)
1800 Broomhurst Lane
Apex, NC 27502
(919) 209-8161

GoliathTech WNC
Evan McIntosh, Courtney Money-McIntosh
1986 Old Fanning Bridge Rd
Mills River, NC, 28759
(828) 284-0183

Ohio

Ohio Pile Drivers LLC
e/o Mickey List
418 Cornell Ave.
Terrace Park, OH 45174
(513) 629-0808

Sinacola, LLC
Anthony Sinacola (2 Franchises)
1301 E. 2nd St.
Port Clinton, OH 43452
(419) 705-4913

Oregon

Roberto Cortez (4 Franchises)
15111 NE 244th St.
Battle Ground, WA 98604
(971) 226-6179

Pennsylvania

Goliathtech Keystone (5 Franchises)
e/o Joshua Miller
Red Lion, PA 17356
(717) 693-2999

Rhode Island

GoliathTech New England (2 Franchises)
e/o Jeff O'Rourke
389 Concord Road
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(781) 710-2042

South Carolina

GoliathTech NC
Neal Goffman & Natalia Giancola
(1 Franchises)
1800 Broomhurst Lane
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(919) 209-8161

South Dakota

GoliathTech Minnesota (2 Franchises)
e/o Jeff Prebil
8840 Xylite St., NE
Blaine, MN 55449
(612) 405-7785

Tennessee

GoliathTech Minnesota
e/o Jeff Prebil
8840 Xylite St., NE
Blaine, MN 55449
(612) 405-7785

Texas

Rock Solid Helical Pile, LLC
Ward Taylor (2 Franchises)
13231 Champion Forest Drive, Suite 203
Houston, TX 77069
(713) 417-9053

GoliathTech Frisco Texas (2 Franchises)
Westonry Holdings LLC
Tony Cheia
122 Rose Lane #P3
Frisco, TX, 75034
(469) 428-0943

Utah

GoliathTech Utah (4 Franchises)
Ryan Mock
3400 N 1000 W,
Pleasant View, UT, 84414
801-839-5283

Vermont

GTVT LLC (3 Franchises)
e/o Oakley Smith and James Hazen
5 Main Street, Suite A
Bristol, VT 05443
(802) 989-1576

Washington

Roberto Cortez (2.5 Franchises)
15111 NE 244th St.
Battle Ground, WA 98604
(971) 226-6179

Ryan Bettger (1.5 Franchises)
5451 Timber Ridge Dr.
Mt. Vernon, WA 98273
(360) 202-9910

Sound Earth Anchors
Newport West LLC

~~Mike Nykreim
4958 126th Ave. SE
Bellevue, WA, 98006
(425) 201-0001~~

~~GoliathTech of South East WI
c/o John Achim
N68 W13159 Ranch Road
Menomonee Falls, WI 53051
(262) 735-5253~~

~~St. Paul Group
Jae Cho/Howard Huang
2433 Fillmore St. #380-1992
San Francisco, CA 94115
(307) 254-0007~~

~~Wisconsin~~

~~Badgerland Pile Co. LLC
Thomas Hattori (6 Franchises)
1686 Journeys Dr.
Hartland, WI 53029~~

~~Wyoming~~

~~GoliathTech WY
Greg Bennett/Tonya Bennett
424 Hamilton Way
Powell, WY 82435
(307) 254-0007~~

~~The following franchisees have had a franchised unit at which they ceased to do business under the franchise agreement during the most recently completed fiscal year. The addresses and telephone numbers are the last known to the Franchisor.~~

~~Arizona~~

~~GoliathTech Valley of The Sun
Lanny Brown/Danny Keith
(3 Franchises)
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(480) 204-8377~~

~~Colorado
Matt Romero
11485 Iola St
Henderson, Colorado 80640
(303) 941-3251~~

~~Connecticut
Goliathtech of Western CT (2 Franchises)
c/o Karen Facey/Justin Petersen
29 Main St.
S. Bethlehem, CT 06751
(203) 513-9996~~

~~GoliathTech of MA-CT
Todd Thibodeau (4 Franchises)
26 Alexander Drive
West Springfield, MA 01089
(413) 205-7671~~

~~New York
Helical Piles, LLC (3 Franchises)
c/o John Nelson
42 Harbor Hill Lane
East Hampton, NY 11937
(613) 542-7498~~

~~North Carolina
Helical Piles NC
Ron Smith
2911 Luxford Ct.
Chesapeake, VA 23321
(252) 455-3738~~

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

~~EXHIBIT D TO THE DISCLOSURE DOCUMENT~~
OPERATIONS MANUAL
GOLIATHTECH INC.

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EXHIBIT E TO THE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Business Oversight 1 Sansome, Suite 600 San Francisco, CA 94104 (415) 972-8559	Department of Business Oversight 1 Sansome, Suite 600 San Francisco, CA 94104 (415) 972-8559
HAWAII	Commissioner of Securities of The State of Hawaii Business Registration Division Dept. of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Business Registration Division Dept. of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722
ILLINOIS	Franchise Division Attorney General State of Illinois 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA	Securities Commissioner Indiana Securities Division Room E-111 302 West Washington Street Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, Michigan 48913 (517) 373-7117	Michigan Department of Commerce Corporations and Securities Bureau 670 Law Building Lansing, Michigan 48913
MINNESOTA	Minnesota Department of Commerce Securities-Franchise Registration 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1500	Minnesota Department of Commerce Securities-Franchise Registration 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, New York 10005 (212) 416-8236 Phone (212) 416-6042 Fax	Attn: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, New York 12231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, Fifth Floor Bismarck, North Dakota 58505 (701) 328-4712	North Dakota Securities Commissioner 600 East Boulevard, Fifth Floor Bismarck, North Dakota 58505

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
RHODE ISLAND	Division of Securities John O. Pastore Complex, Bldg. 69-1 Cranston, Rhode Island 02920 (401) 426-9500	Director of the Rhode Island Department of Business Regulation 1511 Pontiac Avenue Cranston, Rhode Island 02920
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501
VIRGINIA	State Corporation Commission, Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, Virginia (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street 1 st Floor Richmond, Virginia 23219
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, Washington 98501-9033 (360) 902-8760	Department of Financial Institutions 150 Israel Rd. SW Tumwater, WA 98501
WISCONSIN	Commissioner of Securities 111 West Wilson Street P.O. Box 1768 Madison, Wisconsin 53701 (608) 266-1365	Commissioner of Securities 111 West Wilson Street P.O. Box 1768 Madison, Wisconsin 53701

EXHIBIT F TO THE DISCLOSURE DOCUMENT

STATE LAW ADDENDUM

Addendum for State-Specific Requirements

General

These states have statutes which may supersede the franchise agreement in Your relationship with Us including the areas of termination and renewal of Your franchise: ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e *et seq.*], DELAWARE [Code, Tit. 6, Chap. 25, Section 2552], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [815 ILCS 705/19 and 705/20], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Tit. XX, Chap. 523H], KENTUCKY [Rev. Stat. Tit. XL, Chap. 436], LOUISIANA [Rev. Stat. Tit. 23, Section 921(E)], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Chapter 37-5B], NEW JERSEY [Stat. Section 56:10-1], SOUTH DAKOTA [Codified Laws Section 37-5B], VIRGINIA [Code 13.1-557-574-13.1-564], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03], DISTRICT OF COLUMBIA [Code, Tit. 29, Chap. 12], PUERTO RICO [Laws Tit. 10, Chap. 14], and VIRGIN ISLANDS [Code, Tit. 12A, Chap. 2, Subchap. III]. These and other states may have court decisions that may supersede the franchise agreement in Your relationship with Us including the areas of termination and renewal of Your franchise.

Some states have statutes that limit Our ability to restrict Your activity after the Franchise Agreement has ended. Other states have court decisions limiting Our ability to restrict Your activity after the franchise agreement has ended.

A provision in the Franchise Agreement that terminates the Franchise upon Your bankruptcy may not be enforceable under Title 11, United States Code.

California Addendum

(Applies only to California franchisees)

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

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

The following statement is added to Item 1 of the Disclosure Document: You must comply with the licensure requirements of the California Contractors Licensing Board and obtain a license as an "Earthworks and Paving Contractor".

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

Neither We nor any person identified in Item 2 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 the persons from membership in that association or exchange.

You must sign a General Release of all claims if you transfer your franchise. California Corporations Code §31512 voids a waiver by the person acquiring a franchise of certain rights under the Franchise Investment Law (California Corporation Code §§31516). Business and Professions Code §20010 voids a waiver of certain rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

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

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

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

You must resolve disputes through binding arbitration. The arbitration will occur in California with the costs of arbitration being borne equally by the parties. Each party will bear its own expenses, including attorneys' fees. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the State of California.

The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act. As long as this represents the law of the State of California, We will not interpret the Franchise Agreement as permitting or requiring maximum price limits.

Deferral of Your Initial Fee - If Your Licensed Business will be in California, You will not pay Your Initial Fee to Us until we have completed all of Our material pre-opening obligations to you and until you are open for business. Item 5 of the Franchise Disclosure Document and Article 2 of the Franchise Agreement are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have Your bank verify that you have sufficient funds available at the time We sign the Agreement.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

Hawaii Addendum

(Applies only to Hawaii franchisees)

If Your Licensed Business will be in Hawaii, You will not pay Your Initial Fee to Us until Your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 2 of the Franchise Agreement are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have Your bank verify that you have sufficient funds available at the time We sign the Agreement. The only condition on Your obligation to pay the Initial Fee is that We must complete all of Our material pre-opening obligations to you.

Illinois Addendum
(Applies only to Illinois franchisees)

Illinois law governs the Franchise Agreement(s).

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

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

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

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

Indiana Addendum
(Applies only to Indiana franchisees)

Indiana law prohibits requiring you to prospectively agree to a release or waiver which purports to relieve any person from liability imposed by the Indiana Franchise Practices Act (IC 23-2-2.7(5)). The Franchise Agreement shall be deemed amended to the extent necessary to comply with IC 23-2-2.7(5).

Indiana law limits the parties agreement to resolve disputes in any jurisdiction outside of Indiana (IC 23-2-2.7(10)). Subject to the Federal Arbitration Act, the Franchise Agreement shall be deemed amended and the forum for any court proceedings shall be in Indiana.

Maryland Addendum
(Applies only to Maryland franchisees)

The Maryland Franchise Registration and Disclosure Law, COMAR 02.02.08.16L, provides that, as a condition of the sale of a franchise, We may not require you to agree to a release, assignment, novation, waiver, or estoppel that would relieve a person from liability under the Franchise Registration and Disclosure Law. Item 17 of the Disclosure Document is amended by adding: any general release required as a condition of sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement and Disclosure Document shall be deemed amended so that no release, assignment, novation, waiver or estoppel is required if it would violate the Maryland Franchise Registration and Disclosure Law. Nothing in the franchise agreement, including any acknowledgments or representations, shall be deemed a release or waiver of any right or obligation under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the Disclosure Document is amended by adding the following: The provision in the Franchise Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.).

If you are a resident of Maryland or Your Licensed Business will be in Maryland, You will not pay Your Initial Fee or any other money to Us until Your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 2 of the Franchise Agreement are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have Your bank verify that you have sufficient funds available at the time We sign the Agreement. The only condition on Your obligation to pay the Initial Fee is that We must complete all of Our material pre-opening obligations to you.

Item 17 of the Disclosure Document and Article 19 of the Franchise Agreement are amended by adding: any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

Article 19 of the Franchise Agreement is amended to provide as follows: Any lawsuit permitted under this Article shall be brought in the federal or state courts located in the State of Maryland. Item 17 is hereby amended by adding the identical language in the “summary” column of line v.

Minnesota Addendum

(Applies only to Minnesota franchisees)

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of Your rights as provided for in Minnesota Statutes, Chapter 80C, or Your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. §80C.214, Subds. 3, 4, and 5 which require, except in certain specified cases, that We give you 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the franchise agreement.

We will protect Your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name, to the extent required by Minn. Stat. §80C.12, Subd. 1(g).

To the extent governed by Minn. Rule 2860.4400J, you shall not be deemed to have waived any rights under Minnesota law. You shall not be deemed to have consented to Us obtaining injunctive relief, although We may seek injunctive relief. A Court or the arbitrators shall determine whether to require a bond as a condition of injunctive relief.

Items 5 and 7 are amended to provide that the payment of the Initial Franchise Fee is deferred until the Franchisee is open for business.

New York Addendum

(Applies only to New York franchisees)

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

ITEM 3 LITIGATION:

Neither the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. 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, pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchises and the size, nature or financial condition of the franchise system or its business operations.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten- 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, anti-fraud or securities law, fraud; embezzlement, fraudulent conversion or misappropriation of property, unfair or deceptive practices; or comparable allegations.

C. Is subject to a currently effective injunction 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.

4. Item 4 – BANKRUPTCY is amended to add the following:

Neither the Franchisor, its affiliate, its predecessor, officers, or general partner during the 10 year period immediately before the date of the offering circular: (a) filed as a 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 the franchisor held this position in the company or partnership.

Item 5 is amended by adding the following: We will use the Initial Fee for the purposes of covering the costs of selling the franchise and other franchises, for Your initial training, for general overhead and for profit.

Item 12 is amended by adding the following: Although We will consider many factors in determining the boundaries of Your Marketing Area, it will contain a population of not less than 25,000 people.

Item 17 is amended by changing the caption and preliminary statement to read as follows:

Item 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE
RESOLUTION

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS DISCLOSURE DOCUMENT.

Item 17 D is amended by adding the following: You, the franchisee may terminate the agreement on any grounds available by law.

Item 17 J is amended by adding the following: However, no assignment will be made except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the franchise agreement.

Item 17 w is amended to state the following: The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon franchisee by article 33 of the General Business law of the state of New York.

North Dakota Addendum
(Applies only to North Dakota franchisees)

Under North Dakota law, no modification or change We make to the Manual or method of operation may materially affect Your status, rights or obligations under the Franchise Agreement.

Covenants not to compete are considered unenforceable in the State of North Dakota.

Under North Dakota law, a requirement that you consent to liquidated damages or termination penalties in the event of termination of the franchise agreement is considered unenforceable.

The North Dakota Franchise Investment Law (Section 51-19-09) requires that the laws of North Dakota, which laws will prevail, will govern the Franchise Agreement. Further, North Dakota law requires that all issues or disagreements relating to the Franchise Agreement will be arbitrated, tried, heard and decided within the jurisdiction of courts in the state of North Dakota.

Under the North Dakota Franchise Investment Law (Section 51-19-09), a North Dakota franchisee may not be required to execute a general release upon renewal of the Franchise Agreement.

Item 5 of the Disclosure Document is amended to add the following: "The Franchisee shall not be required to pay the initial Franchise Fee until Franchisor has completed all of its pre-opening obligations and the Franchisee is open for business.

Rhode Island Addendum
(Applies only to Rhode Island franchisees)

Item 17 is amended by adding the following: 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.

If Your Licensed Business will be in Rhode Island, You will not pay Your Initial Fee to Us until Your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 2 of the Franchise Agreement

are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have Your bank verify that you have sufficient funds available at the time We sign the Agreement. The only condition on Your obligation to pay the Initial Fee is that We must complete all of Our material pre-opening obligations to you.

South Dakota Addendum

(Applies only to South Dakota franchisees)

Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in South Dakota, except in certain instances as provided by law.

In the event that either party shall make demand for arbitration, such arbitration shall be conducted in a mutually agreed upon site in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association.

The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement and interpretation under the governing law of the state where the franchise is located.

Any provision of the franchise agreement which requires you to agree to jurisdiction and venue outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.

Notwithstanding any term of the franchise agreement, We not terminate the franchise agreement upon default without first affording you thirty (30) days notice with an opportunity to cure the default within that time.

To the extent required by South Dakota law, all provisions giving any party a right to liquidated damages are hereby deleted from the franchise agreement and the parties shall be entitled to their actual damages instead.

The initial franchise fee shall not be due and payable until the franchisor has completed its pre-opening obligations to the franchisee and the franchisee is open for business.

Virginia Addendum

(Applies only to Virginia franchisees)

The following statement is added to Item 5:

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

The following statements are added to Items 12 and 17h:

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.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Item 15 of the Franchise Disclosure Document is amended by adding the following: The Franchise Agreement requires that the Licensed Business be open for business Monday through Friday, 7 a.m. – 4 p.m., subject to seasonal and holiday adjustments; however, Franchisor, in its sole discretion may, from time to time specify different hours of operation. Franchisee may request different hours for good cause.

Item 17 of the Disclosure Document is amended by adding the following: The provision in the Franchise Agreement that provides for termination upon Your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.).

Addendum to Franchise Agreement Required by the State of Washington
(Applies only to Washington franchisees)

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

The Franchisee is not required to pay the Initial Franchise Fee until the franchisor has performed all of its pre-opening obligations to Franchisee and the Franchisee is operational.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____, 20____.

GoliathTech, Inc.
Franchisor

Franchisee

By: _____
Its: _____

By: _____
Its: _____

**ADDENDUM TO THE GOLIATHTECH, INC.
FRANCHISE AGREEMENT FOR USE IN CALIFORNIA**

This Addendum to Franchise Agreement ("Franchise Agreement") dated _____ between Goliathtech, Inc. ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of California; (b) Franchisee is a resident of the State of California; and/or (c) the GoliathTech Franchised Business will be located or operated in the State of California.

2. In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§31000-3516 and the California Franchise Relations Act, Cal. Bus. And Prof. Code §§20000-20043, the Franchise Agreement is amended as follows:

The California Franchise Relations Act provides rights to Franchisee concerning termination or non-renewal of the Franchise Agreement, which may supersede provisions in the Franchise Agreement. Section 19, which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*). Section 16.1 contains a covenant not to compete that extends beyond the expiration or termination of the Agreement; this covenant may not be enforceable under California Law. The Franchise Agreement requires litigation to be conducted in a court located outside of the State of California. This provision might not be enforceable for any cause of action arising under California law. The Franchise Agreement requires application of the laws of a state other than California. This provision might not be enforceable under California law. Section 20.8 requires binding arbitration. The arbitration will occur at the forum indicated in Section 20.8, with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside of the State of California.

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

~~3.2.~~ Section 2.01 of the Franchise Agreement is amended to add the following: You will not pay Your Initial Fee to Us until we have completed all of Our material pre-opening obligations to you and until you are open for business.

4. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

GoliathTech, Inc.

By: _____

Name: _____

Title: _____

FRANCHISEE

[Print Name of Franchise Entity]

By: _____
[Signature of person signing
on behalf of entity]

Title of Signatory: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR ILLINOIS FRANCHISEES**

This Addendum to Franchise Agreement (“Franchise Agreement”) dated _____ between Goliathtech, Inc. (“Franchisor”) and _____ (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Illinois; (b) Franchisee is a resident of the State of Illinois; and/or (c) the GoliathTech Franchised Business will be located or operated in the State of Illinois.
2. Section 41 of the Illinois Franchise Disclosure Act states that, “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void.” To the extent that any provision in the Franchise Agreement is inconsistent with Illinois law, Illinois law will control.
3. Any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration on a venue outside of Illinois.
4. Section 2.01 of the Franchise Agreement is amended to add the following:

The payment of the Initial Fee is deferred until such time as the Franchisor has satisfied all of its pre-opening obligations to Franchisee, and Franchisee has commenced doing business. The Office of the Illinois Attorney General has imposed this financial assurance requirement due to Franchisor’s current financial condition.
5. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
6. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:
Goliathtech, Inc.

FRANCHISEE:

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR MINNESOTA FRANCHISEES**

This Addendum to Franchise Agreement (“Franchise Agreement”) dated _____ between Goliathtech, Inc. (“Franchisor”) and _____ (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of Minnesota; (b) Franchisee is a resident of the State of Minnesota; and/or (c) the GoliathTech Franchised Business will be located or operated in the State of Minnesota
2. Section 2.01 of the Franchise Agreement is amended to add the following:

The payment of the Initial Fee is deferred until such time as the Franchisor has satisfied all of its pre-opening obligations to Franchisee, and Franchisee has commenced doing business.

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:
Goliathtech, Inc.

FRANCHISEE:

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR NORTH DAKOTA FRANCHISEES**

This Addendum to Franchise Agreement ("Franchise Agreement") dated _____ between GoliathTech, Inc. ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of North Dakota; (b) Franchisee is a resident of the State of North Dakota; and/or (c) the GoliathTech Franchised Business will be located or operated in the State of North Dakota.

2. Section 2.01 of the Franchise Agreement is amended to add the following:

The payment of the Initial Fee is deferred until such time as the Franchisor has satisfied all of its pre-opening obligations to Franchisee, and Franchisee has commenced doing business.

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:
GoliathTech, Inc.

FRANCHISEE:

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR SOUTH DAKOTA FRANCHISEES**

This Addendum to Franchise Agreement ("Franchise Agreement") dated _____ between GoliathTech, Inc. ("Franchisor") and _____ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of and are incorporated into the Franchise Agreement. This Addendum is being signed because: (a) the offer or sale of the franchise to Franchisee was made in the State of South Dakota; (b) Franchisee is a resident of the State of South Dakota; and/or (c) the GoliathTech Franchised Business will be located or operated in the State of South Dakota.
2. Section 2.01 of the Franchise Agreement is amended to add the following:

The payment of the Initial Fee is deferred until such time as the Franchisor has satisfied all of its pre-opening obligations to Franchisee, and Franchisee has commenced doing business.

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

FRANCHISOR:
GoliathTech, Inc.

FRANCHISEE:

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT G TO THE DISCLOSURE DOCUMENT
APPLICATION FOR FRANCHISE

Date: _____

APPLICATION FOR A GOLIATHTECH™ FRANCHISE

I/We _____

of _____

hereby submit an application to GoliathTech Inc., 175B Peladeau, Magog, Quebec, J1X 5G9, Canada, for a GoliathTech Franchise:

Our GoliathTech Franchise is to be located in:

_____, (the "City"), in the state of _____

This application, once submitted, is subject to the following terms and conditions:

1. Initial Fee for this franchise is \$38,000 USD payable in cash/check to GoliathTech Inc. no sooner than seven (7) calendar days after receipt of a completed GoliathTech Franchise Agreement and appropriate addendums.
2. I/we acknowledge that I/we have, at least fourteen calendar days, prior to the signing of this Application Agreement, received GoliathTech Inc.'s current form of Franchise Disclosure Document applicable to the State. I/we understand that a completed form of the Franchise Agreement will be provided at least seven business days prior to signing the Franchise Agreement, and that all other terms are to be in accordance with it.
3. I/we have submitted a completed Confidential Qualification Report, including a completed Individual Financial Statement on GoliathTech Inc.'s form and I/we hereby authorize GoliathTech Inc. to conduct an investigation of my/our background(s) to verify the information submitted.
4. I/we acknowledge and understand that submission of this application does not bind or obligate GoliathTech Inc., Inc. to issue a GoliathTech Franchise to me/us.

By: _____
(Signature)

Applicant (Print Name)

By: _____
(Signature)

Applicant (Print Name)

EXHIBIT H TO THE DISCLOSURE DOCUMENT STATEMENT OF PROSPECTIVE FRANCHISEE

As you know, you and we are entering into a Franchise Agreement for the operation of an GoliathTech Franchised business. The purpose of this Statement is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgements and Representations.

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least fourteen calendar days prior to signing the Franchise Agreement?

Check one: Yes No. If no, please comment:

2. Have you studied and reviewed carefully, our Disclosure Document and Franchise Agreement?

Check one: Yes No. If no, please comment:

3. Did you understand all the information contained in both the Disclosure Document and Franchise Agreement?

Check one: Yes No. If no, please comment:

4. Was any oral, written or visual claim or representation made to you, which contradicts the disclosures in the Disclosure Document?

Check one: Yes No. If yes, please state in detail the oral, written or visual claim or representation:

5. Did any employee or other person speaking on behalf of GoliathTech Inc. make any oral, written, or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any GoliathTech location or business, or the likelihood of success at your franchise business other than disclosures made in Item 19 of the Franchise Disclosure Document?

Check one Yes No. If yes, please state in detail the oral, written or visual claim or representation:

-
-
5. Did any employee or other person speaking on behalf of GoliathTech Inc. make any statement or promise regarding the costs involved in operating a franchise that is contrary to, or different from, the information contained in the Disclosure Document?

Check one: Yes No. If yes, please comment:

7. Except as may be stated in Item 19 of the Disclosure Document, did any employee or other person speaking on behalf of GoliathTech Inc. make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any GoliathTech location or business or the likelihood of success at your franchised business?

Check one: Yes No. If yes, please state in detail the oral, written or visual claim or representation:

8. Do you understand that the franchise granted is for the right to develop an GoliathTech franchised business in a certain Territory and that we and our affiliates have the right to issue franchises or operate competing businesses for or at locations, as we determine, outside your Territory?

Check one: Yes No. If no, please comment:

9. Do you understand that the Franchise Agreement and Disclosure Document contain the entire agreement between you and us concerning your GoliathTech franchise rights, meaning that any prior oral or written statements not set out in the Franchise Agreement or Disclosure Document will not be binding?

Check one: Yes No. If no, please comment:

10. Do you understand that the success or failure of your GoliathTech business will depend in large part upon your skills and experience, your business acumen, your location, the local market for your products and services, the economy, the number of employees you hire, competition and other economic and business factors?

Check one: Yes No. If no, please comment:

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS STATEMENT, YOU ARE REPRESENTING THAT YOU

HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST SIGN BELOW.

Signed By: _____

Signed By: _____

Print Name: _____

Print Name: _____

Date: _____

Date: _____

APPROVED ON BEHALF OF
GOLIATHTECH INC.

Signed: _____

Title: _____

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

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:

<u>State</u>	<u>Effective Date</u>
<u>California</u>	
<u>Hawaii</u>	
<u>Illinois</u>	
<u>Indiana</u>	
<u>Maryland</u>	
<u>Michigan</u>	
<u>Minnesota</u>	
<u>New York</u>	
<u>North Dakota</u>	
<u>Rhode Island</u>	
<u>South Dakota</u>	
<u>Virginia</u>	
<u>Washington</u>	
<u>Wisconsin</u>	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT I TO THE DISCLOSURE DOCUMENT

RECEIPT (Franchisee Copy)

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 GoliathTech Inc. offers You a franchise, it must provide this disclosure document to You 14 calendar-days before You sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

[New York and Rhode Island require 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 and Oregon require 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 GoliathTech Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington DC 20580 and the state agencies listed in Exhibit E.

The Issuance Date of this Franchise Disclosure Document is April ~~30~~24, 20~~19~~20.

The Franchisor is GoliathTech Inc., 175B Peladeau, Magog, Quebec, J1X 5G9, Canada, Toll Free 855-743-4777.

The franchise sellers for this offering are: Julian Reusing, ~~Brian Gurry, Sophie Cote~~, Lana Poulin and Gabriela Rivas; 175B Peladeau, Magog, Quebec, J1X 5G9, Canada and Toll Free 855-743-4777.

I have received a Franchise Disclosure Document dated April ~~30~~24, 20~~19~~20. This disclosure document included the following Exhibits:

- Exhibit A - Financial Statements
- Exhibit B - Franchise Agreement, with:
 - Addendum A, Location of Licensed Business
 - Addendum B, Territory
 - Addendum C, Assignment of Telephone Number
 - Addendum D, Personal Guaranty
 - Addendum E, Trade Secrets & Confidentiality Agreement
 - Addendum F, Mutual Termination and Release Agreement
 - ~~Addendum G, Release From Continuing Obligations~~
- Exhibit C - List of Current and Former Licensees
- Exhibit D - Operations Manuals - Table of Contents
- Exhibit E - List of State Administrators and Agents for Service of Process
- Exhibit F - State Law Addendum
- Exhibit G - Application for Franchise
- Exhibit H - Statement of Prospective Franchisee
- Exhibit I - Receipt for Franchise Disclosure Document

DATED: _____

By: _____

Print Name: _____

RECEIPT
(Franchisor Copy)

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

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If GoliathTech Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit E.

The Issuance Date of this Franchise Disclosure Document is April ~~30~~24, 201~~9~~20.

The Franchisor is GoliathTech Inc., 175B Peladeau, Magog, Quebec, J1X 5G9, Canada, Toll Free 855-743-4777.

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- Exhibit I - Receipt for Franchise Disclosure Document

DATED: _____

By: _____
SIGNATURE

Print Name: _____