

## FRANCHISE DISCLOSURE DOCUMENT

# GARAGE FORCE®

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

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

The total investment necessary to begin operation of a Garage Force® franchised business is ~~\$127,900~~132,900 to ~~\$195,600~~200,600. This includes ~~\$122,000~~127,000 that must be paid to the Franchisor or its affiliate(s).

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

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Mr. Michael Peterson at 700 Stonebridge Avenue, Onalaska, Wisconsin 54650, telephone number: (608) 209-1507.

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

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

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

Issuance Date: May ~~15~~3, ~~2024~~2025

~~2024~~2025 Garage Force FDD  
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## How to Use This Franchise Disclosure Document

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

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

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

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Wisconsin. Out-of-state arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate, or litigate with the franchisor in Wisconsin than in your own state.
2. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
3. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
4. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

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

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

- (A) A prohibition on the right of the Franchisee to join an association of franchisees.
- (B) A requirement that the Franchisee assent to a release, assignment, novation, waiver or estoppel which deprives the Franchisee of rights and protections provided in the Michigan Franchise Investment Law. This section will not preclude the Franchisee, after entering into the Franchise Agreement, from settling any and all claims.
- (C) A provision that permits the Franchisor to terminate the franchise prior to the expiration of its term except for good cause. Good cause will include the failure of the Franchisee to comply with any lawful provisions of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (D) A provision that permits the Franchisor to refuse to renew the franchise without fairly compensating the Franchisee by repurchase or other means for the fair market value at the time of expiration of the Franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the Franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This section applies only if:
  - (1) The term of the franchise is less than five years; and
  - (2) The Franchisee is prohibited by the Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logo-type, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise, or the Franchisee does not receive at least six months advance notice of the Franchisor's intent not to renew the franchise.
- (E) A provision that permits the Franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (F) A provision requiring that arbitration or litigation be conducted outside the State of Michigan. This section will not preclude the Franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside the State of Michigan.
- (G) A provision which permits the Franchisor to refuse to permit a transfer of ownership of the franchise, except for good cause. This section does not prevent the Franchisor from exercising a right of first refusal to purchase the franchise. Good cause will include, but is not limited to:

- (1) The failure of the proposed transferee to meet the Franchisor's then-current reasonable qualifications or standards.
- (2) The fact that the proposed transferee is a competitor of the Franchisor or subfranchisor.
- (3) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (4) The failure of the Franchisee or proposed transferee to pay any sums owing to the Franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

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

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

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

**ILFRICH INTEGRATED SOLUTIONS, INC.  
FRANCHISE DISCLOSURE DOCUMENT**

**INDEX**

	PAGE
ITEM 1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES.....	1
ITEM 2. BUSINESS EXPERIENCE.....	2
ITEM 3. LITIGATION.....	2
ITEM 4. BANKRUPTCY.....	3
ITEM 5. INITIAL FEES.....	3
ITEM 6. OTHER FEES.....	4
ITEM 7. ESTIMATED INITIAL INVESTMENT.....	6
ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	8
ITEM 9. FRANCHISEE’S OBLIGATIONS.....	10
ITEM 10. FINANCING.....	11
ITEM 11. FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING.....	11
ITEM 12. TERRITORY.....	16
ITEM 13. TRADEMARKS.....	17
ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....	18
ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	18
ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	18
ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	19
ITEM 18. PUBLIC FIGURES.....	21
ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS.....	21
ITEM 20. OUTLETS AND FRANCHISEE INFORMATION.....	<a href="#">2526</a>
ITEM 21. FINANCIAL STATEMENTS.....	<a href="#">2930</a>
ITEM 22. CONTRACTS.....	<a href="#">2930</a>
ITEM 23. RECEIPT.....	<a href="#">2930</a>
CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT.....	<a href="#">3031</a>
Item 17, Additional Disclosures. The following statements are added to Item 17:.....	<a href="#">3233</a>
MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT.....	<a href="#">3334</a>
MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT.....	<a href="#">3435</a>
NORTH DAKOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT.....	<a href="#">3738</a>
RHODE ISLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT.....	<a href="#">3839</a>
SOUTH DAKOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT.....	<a href="#">3940</a>
ADDENDA TO DISCLOSURE DOCUMENT FOR STATE-SPECIFIC DISCLOSURES	

**EXHIBITS**

- A - Financial Statements
- B - Franchise Agreement, Including State-Specific Addenda
- C - List of Current and Former Franchisees
- D - Sample Release
- E - Franchisee Questionnaire
- F - State Agency Exhibit

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

### Franchisor

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

### Predecessors and Affiliates of the Franchisor

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

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

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

### Franchised Business

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

The Franchisor is not aware of any specific state or federal regulations applicable to Garage Force Businesses. However, you may have to comply with city, county and state regulations and requirements that apply to your Garage Force Business. The range of municipal, county or state licensing, bonding

and certification requirements that may apply to your Garage Force Business will vary greatly, depending upon the location of your Garage Force Business. There may be city, county or state regulations and licensing requirements and other local and state regulations and requirements for your Garage Force Business, including regulations that require you to have a certain number of years of related experience before you can meet applicable licensing requirements and commence operating your Garage Force Business in your market area. You will need to consult with a local attorney or other qualified advisor to determine whether licensing requirements or other state or local regulations apply to a Garage Force Business operated in your market area.

#### Prior Business Experience of the Franchisor

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

### **ITEM 2. BUSINESS EXPERIENCE**

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

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

#### Patrick J. Ilfrey: Director

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

### **ITEM 3. LITIGATION**

#### Concluded Matters:

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

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

**ITEM 4. BANKRUPTCY**

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

**ITEM 5. INITIAL FEES**

Initial Fee

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

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

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

Baseline Initial Franchise Fee	\$84,500
Additional Population Fee (add'l 50,000 x \$0.25)	<u>\$12,500</u>
<b>TOTAL</b>	<b>\$97,000</b>

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

Initial Equipment Package

You will pay Franchisor a lump sum of ~~\$60,000~~ \$65,000 for the purchase of the Initial Equipment Package at or before you attend our initial training program. The Initial Equipment Package includes a trailer displaying the required graphics, and the equipment, supplies, items, marketing materials and apparel needed to commence business. The payment for the Initial Equipment Package is non-refundable and is fully earned when paid.

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

The amounts paid or financed by franchisees for the Initial Fee and the Initial Equipment Package were uniform in ~~2023, except for three franchises that were sold to existing franchisees that acquired additional territories and each paid an initial franchise fee equal to \$25,000~~ 2024.

### Initial Coating Products

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

### Opening Assistance

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

## **ITEM 6. OTHER FEES**

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

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

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

Notes to Table in this Item:

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

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

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

### ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT					
Type of Expense	Amount (Low-High) <sup>(1)</sup>		Method of Payment <sup>(2)</sup>	When Due	To Whom Payment is Made
Initial Fee <sup>(3)</sup>	\$49,500	\$49,500	Lump Sum	When You Sign Franchise Agreement	Franchisor
Initial Equipment Package <sup>(4)</sup>	<del>\$60,000</del> 65,000	<del>\$60,000</del> 65,000	Lump Sum	At or before training	Franchisor
Initial Coating Products <sup>(5)</sup>	\$10,000	\$10,000	Lump Sum	At or before training	Franchisor
Wages, Travel and Living Expenses for You and Your General Manager During Initial Training Program <sup>(6)</sup>	\$1,000	\$5,000	As Incurred	During Training	Employees, Airlines, Hotels and Restaurants
Computer Hardware and Software <sup>(7)</sup>	\$600	\$5,000	As Incurred	Before Opening	Suppliers

Office and Storage Space (3 Months) <sup>(8)</sup>	\$0	\$3,000	As Incurred	As Incurred	Landlord
Vehicle <sup>(9)</sup>	\$1,500	\$41,500	As Incurred	As Incurred	Supplier
Office Furniture, Supplies and Equipment <sup>(10)</sup>	\$0	\$2,500	As Incurred	As Incurred	Suppliers
Insurance (3 Months)	\$300	\$2,100	As Incurred	As Incurred	Insurance Companies
Professional Services (Legal, Accounting, Payroll Services, etc.)	\$900	\$1,900	As Incurred	As Incurred	Attorneys and Accountants
Opening Assistance and Travel Expenses <sup>(11)</sup>	\$0	\$2,500	Lump Sum	10 days after receipt of invoice	Franchisor
Grand Opening Advertising <sup>(12)</sup>	\$500	\$500	As Incurred	During First 90 Days of Operation	Advertising Suppliers
Additional Funds (3 Months) <sup>(13)</sup>	\$3,600	\$12,100	As Incurred	As Incurred	Franchisor, Suppliers, Government Agencies and Utilities
<b>Total</b> <sup>(14)</sup>	<b>\$127,900</b> <u>132,900</u>	<b>\$195,600</b> <u>200,600</u>			

Notes to Initial Investment Chart in this Item:

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

(2) Payments are not refundable unless otherwise noted.

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

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

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

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

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

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

(9) You will need a truck, van or other vehicle for your Garage Force Business to transport the trailer containing equipment, products and supplies to job site locations in your Franchised Territory. Your vehicle must meet the standards and requirements established by the Franchisor. You must also purchase a wrap for the vehicle that bears the Marks (as defined in Item 13) and meets our standards and specifications. The estimated low amount assumes that you already own the vehicle that you will use in your Garage Force Business. If you do not own a vehicle with sufficient towing capacity and you finance the purchase of the vehicle for your Garage Force Business,

it is estimated that you will make a down payment ranging from \$0 to \$5,000, with monthly payments of from \$275 to \$725 over a five-year term. If you purchase a vehicle outright, the estimated cost is approximately \$12,000 to \$40,000, depending upon the year, make and condition of the vehicle, and the location of your Garage Force Business.

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

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

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

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

(14) These figures are estimates only, and it is possible that you may incur additional or greater expenses during the first three months of the operation of your Garage Force Business.

## **ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

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

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

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

The Franchisor is currently the only designated supplier for most of the equipment, supplies and materials required for your Garage Force Business. You are not permitted to substitute any new supplier or any other designated supplier, or to request or require that the Franchisor appoint any new supplier as a designated supplier, without the Franchisor's prior written consent. You are required to purchase or

lease the Initial Equipment Package and to purchase your equipment, supplies and materials only from the suppliers designated by the Franchisor to ensure that you maintain the uniformity and quality standards required of all Garage Force Businesses. The Franchisor can charge you more than it costs to procure and provide to you the equipment, supplies and materials needed to open your Garage Force Business and used in the operation of your Business after you commence business.

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

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

#### Obligation to Purchase or Lease Products or Services from Approved Suppliers

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

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

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

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

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

You may have to purchase or lease certain specific products and services which satisfy the Franchisor's written standards and specifications. This requirement is necessary to insure that you adhere to the standards and specifications associated with all Garage Force Businesses. Products and services currently subject to the Franchisor's standards and specifications include your insurance requirements and the computer system and the vehicle used in your Business (see Item 11). The Franchisor will provide you with a written copy of these standards and specifications. The Franchisor formulates its standards and specifications at its sole discretion. The Franchisor can periodically modify its written

standards and specifications, and you must comply with any modifications. You must ensure that all products and services you select conform to the Franchisor's standards and specifications. The Franchisor reserves the right to reject any products or services you obtain from any unapproved supplier if they fail to meet the Franchisor's standards and specifications.

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

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

#### Revenues from Franchisee Purchases

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

During ~~2023~~2024, the Franchisor received payments totaling ~~\$9,606,024~~10,108,500 from franchisees purchasing the Initial Equipment Package for their Garage Force Businesses as well as other products and supplies that franchisees must purchase from the Franchisor. Based upon the audited financial statements for the Franchisor attached as Exhibit A to this Disclosure Document, these revenues were ~~8483%~~ of the Franchisor's total revenues of ~~\$11,439,042~~12,142,968 for the fiscal year ending December 31, ~~2023~~. ~~GF Capital received payments during 2023 totaling \$85,612 from franchisees that financed the Initial Fee and the Initial Equipment Package~~2024. Otherwise, the Franchisor and its affiliates did not derive any revenue or other material consideration based upon your purchases or leases of products and services from designated or approved suppliers in the last fiscal year.

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

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

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

## ITEM 9. FRANCHISEE’S OBLIGATIONS

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

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

## ITEM 10. FINANCING

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

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

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

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

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

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

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

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

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

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

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

### Length of Time Until Opening

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

commence operating your Garage Force Business within six months after you sign the Franchise Agreement, or you will be in breach of the Franchise Agreement.

#### Assistance During the Operation of your Garage Force Business

- (1) The Franchisor will occasionally review your Garage Force Business and give you written reports as deemed necessary by the Franchisor (see Article 9.1(e) of the Franchise Agreement).
- (2) The Franchisor will legally protect the Marks and the Business System (see Article 3 and Article 9.1(f) of the Franchise Agreement).
- (3) The Franchisor will provide access to supplements and modifications to the Operations Manual (see Article 9.1(g) of the Franchise Agreement).
- (4) The Franchisor will provide the names and addresses of newly approved or designated suppliers (see Article 9.1(b) of the Franchise Agreement).
- (5) The Franchisor will provide advisory services by telephone or in writing (see Article 9.1(h) of the Franchise Agreement).
- (6) Upon your reasonable request, or if required by the Franchisor, the Franchisor may provide consulting services to you in your Franchised Territory, subject to the availability of the Franchisor's personnel (see Article 9.2 of the Franchise Agreement). You will pay the Franchisor its then-current charge for consulting services (see Item 6), and will pay the travel expenses and other costs incurred by the individual(s) providing the consulting services.

#### Advertising

- (1) The Franchisor will occasionally make advertising and marketing recommendations (see Article 9.1(d) of the Franchise Agreement).
- (2) The Franchisor will review the advertising, promotion, marketing, public relations or telemarketing programs or campaigns which you propose to use for your Garage Force Business. You will create your own advertising, marketing or public relations materials and will submit all proposed advertising and promotion concepts, materials and media to the Franchisor in writing for its approval. Upon receipt of the Franchisor's written approval, you may disseminate these materials via the method approved by the Franchisor. You will conduct local advertising or promotion for your Garage Force Business after the Franchisor has approved your advertising and promotion concepts, materials and media. You must spend at least 5% of your Gross Revenues generated in the immediately preceding calendar month on approved local advertising (see Article 6.10 of the Franchise Agreement). If you fail to meet this minimum requirement, you will have to deposit with the Franchisor the difference between what you should have spent and what you actually spent, which the Franchisor will spend as deemed appropriate by the Franchisor. You do not have to participate in a local or regional advertising cooperative or association.
- (3) You must pay the Digital Marketing Fees in the manner and method set forth in the Operations Manual or as Franchisor otherwise sets forth in writing. At the Franchisor's option, it may collect the Digital Marketing Fees itself, or require you to pay it directly to the Franchisor's designated vendor. Currently, you must pay a total of \$1,000 each month per contiguous Franchised Territory area for the Digital Marketing Fees, which currently includes search engine optimization and pay-per-click advertisements, and other related services that the Franchisor may recommend or require. The Franchisor

will credit the Digital Marketing Fees that you pay towards your approved monthly local advertising requirements.

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

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

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

The Branding Fund will not be audited. The Franchisor will prepare an unaudited summary of the income and expenses of the Branding Fund each calendar year, which will be available for review by franchisees upon reasonable written request. No expenditures were made from the Branding Fund in ~~2023~~2024.

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

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

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

### Computer System

The Franchisor has the right to establish standards and specifications for your computer hardware and software, and to make modifications and updates to these standards and specifications (see Article 12 of the Franchise Agreement). The Franchisor currently recommends that you have or acquire a personal computer for use only in your Garage Force Business with Microsoft Office and invoicing software.

Otherwise, as of the issuance date of this disclosure document, the Franchisor does not currently require or suggest any particular computer hardware or software for your Garage Force Business, but may do so in the future. Your initial expenditures for your computer hardware and software are estimated to be approximately \$5,000 if you do not already own a personal computer for use in your Garage Force Business. The computer equipment and software will help you manage your Garage Force Business. Your computer system will perform word processing, accounting, contact management, record keeping, scheduling, Internet access and e-mail functions for your Garage Force Business. The Franchisor has the right to require that it have independent access the information and data stored in the computer system for your Garage Force Business. There is no contractual limitation on this right.

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

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

**Training**

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

**TRAINING PROGRAM**

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

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

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

## **ITEM 12. TERRITORY**

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

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

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

You will receive an exclusive territory. Your Franchised Territory will be protected to the extent that the Franchisor will not develop, open or operate other Garage Force Businesses, company or affiliate-owned

or franchised, that are located or operated within your Franchised Territory as long as you are in compliance with your Franchise Agreement.

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

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

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

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

### ITEM 13. TRADEMARKS

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

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

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

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

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

There are no agreements currently in effect which limit the Franchisor's rights to use or license the use of the Marks.

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

#### **ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

##### Copyrights

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

##### Confidential Information

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

##### Patents

No patents are material to your Garage Force Business.

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

Although you are not required under the Franchise Agreement to participate in the operation of your Garage Force Business, the Franchisor strongly recommends that you (if an individual) actively participate in the operation of the Franchised Business, either as the General Manager or in another capacity. However, your Garage Force Business must be managed by a General Manager who has completed the Franchisor's training program. Your General Manager need not have an equity interest in your Garage Force Business. Your General Manager and all other employees who will have access to the Operations Manual will sign a written confidentiality agreement agreeing to keep confidential, both during and after employment, all information designated by the Franchisor as confidential and proprietary. In addition, your General Manager must sign a written agreement under which he or she cannot participate in any business that competes with a Garage Force Business within your Franchised

Territory, within the territory of any other Garage Force Business, or within any exclusive area granted by the Franchisor, for a period of 18 months after leaving your employ. If the Franchise Agreement is signed by you for a legal entity, rather than as an individual, the entity’s owners must personally guarantee all of its obligations to the Franchisor.

**ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You may only sell the products and services specified or approved by the Franchisor in writing. You must sell all products and services that the Franchisor requires. The Franchisor has the right, without any limitation, to change the products and services that Garage Force Businesses must sell. You may not sell products or services outside of your Franchised Territory without obtaining the written consent of Garage Force. Otherwise, The Franchisor does not restrict your sale of products and services in the Franchised Territory, except as disclosed in Item 12.

**ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

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

	<b>Provision</b>	<b>Article in Franchise Agreement</b>	<b>Summary</b>
a.	Length of the franchise term	Article 2.1	10 years
b.	Renewal or extension of the term	Article 2.2	You do not have the right to renew the Franchise Agreement, but have the right to reacquire the franchise for the Franchised Territory by entering into the Franchisor’s then-current standard Franchise Agreement.
c.	Requirements for franchisee to renew or extend	Article 2.2	You must give the Franchisor notice of your intention to reacquire the franchise at least 180 days before your Franchise Agreement expires; you must have complied with all material terms and conditions of the Franchise Agreement and material operating and quality standards and procedures; you have satisfied all monetary obligations owed to the Franchisor; you agree to make capital expenditures to replace and modernize the equipment, materials, supplies and other items used in your Garage Force Business; you and your employees complete any required training; and you agree to execute and comply with the then-current standard Franchise Agreement. You will not have to pay another Initial Fee, but will pay a Franchise Reacquisition Fee equal to 25% of the Franchisor’s then-current Initial Fee. If you reacquire the franchise for the Franchised Territory, you will sign a new Franchise Agreement which may contain materially different terms and conditions than your original Franchise Agreement.
d.	Termination by franchisee	Article 18	If the Franchisor violates any material provision of the Franchise Agreement or fails to timely pay any uncontested obligation due to you. (subject to state law)
e.	Termination by franchisor without cause	None	
f.	Termination by franchisor with cause	Article 17	If you breach the Franchise Agreement.
g.	“Cause” defined - defaults	Article 17.1	You will have 30 days to cure: a failure to open your Garage Force

	<b>Provision</b>	<b>Article in Franchise Agreement</b>	<b>Summary</b>
	which can be cured		Business within six months after signing the Franchise Agreement; a violation of any material provision of the Franchise Agreement; your conviction for violating any law relating to your Garage Force Business or a felony; a failure to conform to the Business System; a failure to pay any uncontested obligation or liability to anyone (including failure to pay any federal or state taxes); a determination that you are insolvent; an assignment made by you for the benefit of creditors; any dishonored check; you fail to acquire the equipment and supplies required for your Garage Force Business before you commence business; you abandon your Garage Force Business; or any conduct which materially impairs the Marks or the Business System. You have 15 days to cure a failure to pay any amount due to the Franchisor.
h.	“Cause” defined - defaults which cannot be cured	Article 17.5	Subject to applicable state law, the Franchisor may terminate the Franchise Agreement immediately on written notice to you if: you are convicted of violating any law relating to your Garage Force Business or a felony; you are deemed insolvent; you make an assignment for the benefit of creditors; you abandon your Garage Force Business; your conduct materially impairs the Marks or the Business System and you fail to correct your breach within 24 hours; or you fail to achieve the Minimum Sales Requirement.
i.	Franchisee’s obligations on termination or nonrenewal	Article 19	You must cease to be a Garage Force franchisee and cease to operate under the Business System; pay all sums and fees owing to the Franchisor; return to the Franchisor all printed materials for the Garage Force Business; inform your suppliers that you are no longer a Garage Force franchisee; cease to use in the Marks and the Business System and remove all indications of operation under the Business System from your vehicle and the Business; and transfer all rights to telephone numbers and directory listings to the Franchisor.
j.	Assignment of contract by franchisor	Article 16.1	No restriction on the Franchisor’s right to assign. The assignee must fully perform all the Franchisor’s obligations under the Franchise Agreement.
k.	“Transfer” by franchisee - definition	Articles 16.2 and 16.3	Assignment to owned or controlled entity or assignment in the event of your death or disability; assignment of the Franchise Agreement or ownership in the franchisee.
l.	Franchisor’s approval of transfer by franchisee	Article 16.4	The Franchisor has the right to approve any transfer made by you, but will not unreasonably withhold its consent.
m.	Conditions for franchisor’s approval of transfer	Article 16.4	You comply with the Franchisor’s right of first refusal; you provide at least 90 days prior written notice of the transfer; you pay all money owed to the Franchisor; you complete a written agreement between you and the Franchisor agreeing to observe all post-term obligations; transferee does not and will not participate in any business competes with Garage Force Business; you sign a general release (see Exhibit D); transferee meets the Franchisor’s standards for new franchisees; transferee signs the Franchisor’s then-current Franchise Agreement and personal guaranty; transferee and transferee’s general manager complete training program; and you pay the transfer fee.
n.	Franchisor’s right of first refusal to acquire franchisee’s business	Articles 15.1 and 15.2	You must first offer the sale of your Garage Force Business or Business Assets to the Franchisor before selling to anyone else. After you present an offer to sell or a third party’s offer to purchase your Garage Force Business or Business Assets to the Franchisor, the

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

## ITEM 18. PUBLIC FIGURES

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

## ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

We have included below financial performance representations setting forth historical information on Gross Revenue and Product Costs (defined below) based upon the ~~41~~42 single unit existing franchised Garage Force Businesses that had been open and continuously operating in the U.S. on a full-time basis for at least one full calendar year as of December 31, ~~2023~~2024 (the "Qualifying Businesses"). We

previously offered and sold Garage Force Businesses that operated on a different business models, specifically, on a seasonal, part-time, or absentee basis. We currently no longer offer that business model, and we currently only offer and sell Garage Force Businesses that operate full-time. Therefore, the below financial performance representations include the ~~442~~ Qualifying Businesses that are substantially similar to the franchised business being offered and sold under this form of disclosure document. This Item 19 excludes ~~143~~180 Garage Force Businesses that were open and operating as of December 31, 2024 because: (i) ~~28~~60 Garage Force Businesses had not been operating for at least one full year as of December 31, 2021, and (ii) ~~115~~125 operate on a seasonal, part-time, or absentee basis, and/or have purchased multiple territories and are operating larger than our standard single unit territories, and as such, are not substantially similar to the franchised business being offered under this disclosure document.

Chart I(A) discloses historical financial performance representations for each of the ~~442~~ Qualifying Businesses. Chart I(B) discloses historical financial performance representations for the single Company-owned Garage Force Business that was open and operated for the full ~~2023~~2024 calendar year. Additionally, Chart II shows certain expenses as a percent of the annual Gross Revenue for the Company-owned Garage Force Business for the ~~2023~~2024 calendar year.

**Chart I(A) – All Single-Unit Qualifying Businesses During the ~~2023~~2024 Calendar Year**

Franchisee	Annual Gross Revenue	Annual Product Cost (including consumables & Equipment)	Annual Invoices	Average Invoice	Average Profit Per Invoice
Franchisee 1	<del>\$457,527</del> <u>\$79,788</u>	<del>\$179,810</del> <u>\$203,417</u>	<del>85</del> <u>\$93</u>	<del>\$5,382.67</del> <u>234</u>	<del>\$3,267</del> <u>.047</u>
Franchisee 2	<del>\$1,010,219</del> <u>\$1,030,093</u>	<del>\$344,012</del> <u>\$261,431</u>	<del>208</del> <u>\$203</u>	<del>\$4,856.82</del> <u>.074</u>	<del>\$3,203</del> <u>.787</u>
Franchisee 3	<del>\$726,382</del> <u>\$314,028</u>	<del>\$435,455</del> <u>\$461,390</u>	<del>199</del> <u>\$273</u>	<del>\$3,650.16</del> <u>.813</u>	<del>\$1,462</del> <u>.123</u>
Franchisee 4	<del>\$501,646</del> <u>\$65,321</u>	<del>\$194,378</del> <u>\$213,050</u>	<del>109</del> <u>\$129</u>	<del>\$4,602.26</del> <u>.692</u>	<del>\$2,819</del> <u>.041</u>
Franchisee 5	<del>\$294,499</del> <u>\$26,294</u>	<del>\$37,451</del> <u>\$58,492</u>	<del>68</del> <u>\$46</u>	<del>\$4,330.87</del> <u>.093</u>	<del>\$3,780</del> <u>.822</u>
Franchisee 6	<del>\$990,161</del> <u>\$15,721</u>	<del>\$198,370</del> <u>\$268,548</u>	<del>398</del> <u>\$412</u>	<del>\$2,487.84</del> <u>.465</u>	<del>\$1,989</del> <u>.814</u>
Franchisee 7	<del>\$342,758</del> <u>\$95,655</u>	<del>\$121,424</del> <u>\$117,568</u>	<del>100</del> <u>\$104</u>	<del>\$3,427.58</del> <u>.804</u>	<del>\$2,213</del> <u>.674</u>
Franchisee 8	<del>\$356,129</del> <u>\$8,761</u>	<del>\$134,123</del> <u>\$29,613</u>	<del>101</del> <u>\$22</u>	<del>\$3,526.03</del> <u>.489</u>	<del>\$2,198</del> <u>.143</u>
Franchisee 9	<del>\$367,138</del> <u>\$7,546</u>	<del>\$85,844</del> <u>\$73,225</u>	<del>78</del> <u>\$56</u>	<del>\$4,706.90</del> <u>.492</u>	<del>\$3,606</del> <u>.184</u>
Franchisee 10	<del>\$482,301</del> <u>\$46,881</u>	<del>\$78,995</del> <u>\$84,481</u>	<del>93</del> <u>\$81</u>	<del>\$5,186.03</del> <u>.752</u>	<del>\$4,337</del> <u>.709</u>
Franchisee 11	<del>\$597,558</del> <u>\$597,558</u>	<del>\$264,297</del> <u>\$257,402</u>	<del>177</del> <u>\$1</u>	<del>\$3,376.03</del> <u>.3</u>	<del>\$1,883</del> <u>.2</u>

Franchisee	Annual Gross Revenue	Annual Product Cost (including consumables & Equipment)	Annual Invoices	Average Invoice	Average Profit Per Invoice
	<u>78,766</u>		<u>55</u>	<u>,734</u>	<u>,073</u>
Franchise 12	<del>\$206,786</del> <u>94,055</u>	<del>\$61,461</del> <u>48,571</u>	<del>36</del> <u>\$30</u>	<del>\$5,744.06</del> <u>,469</u>	<del>\$4,037</del> <u>,849</u>
Franchise 13	<del>\$689,670</del> <u>57,177</u>	<del>\$130,823</del> <u>116,519</u>	<del>232</del> <u>\$2</u> <u>91</u>	<del>\$2,972.72</del> <u>,946</u>	<del>\$2,409</del> <u>,545</u>
Franchise 14	<del>\$620,702</del> <u>58,659</u>	<del>\$198,958</del> <u>155,468</u>	<del>109</del> <u>\$1</u> <u>21</u>	<del>\$5,694.51</del> <u>,617</u>	<del>\$3,869</del> <u>,332</u>
Franchise 15	<del>\$1,404,270</del> <u>1,220,71</u> <u>3</u>	<del>\$418,808</del> <u>487,838</u>	<del>259</del> <u>\$2</u> <u>25</u>	<del>\$5,421.89</del> <u>,425</u>	<del>\$3,805</del> <u>,257</u>
Franchise 16	<del>\$243,517</del> <u>23,457</u>	<del>\$61,852</del> <u>47,595</u>	<del>49</del> <u>\$51</u>	<del>\$4,969.73</del> <u>,382</u>	<del>\$3,707</del> <u>,448</u>
Franchise 17	<del>\$605,485</del> <u>42,167</u>	<del>\$204,000</del> <u>247,978</u>	<del>130</del> <u>\$1</u> <u>41</u>	<del>\$4,657.58</del> <u>,973</u>	<del>\$3,088</del> <u>,214</u>
Franchise 18	<del>\$387,678</del> <u>42,752</u>	<del>\$128,000</del> <u>70,379</u>	<del>82</del> <u>\$59</u>	<del>\$4,727.78</del> <u>,114</u>	<del>\$3,167</del> <u>,922</u>
Franchise 19	<del>\$211,334</del> <u>84,401</u>	<del>\$65,465</del> <u>61,558</u>	<del>52</del> <u>\$58</u>	<del>\$4,064.12</del> <u>,903</u>	<del>\$2,805</del> <u>,842</u>
Franchise 20	\$358,493	\$108,317	<u>\$93</u>	<del>\$3,854.76</del> <u>,855</u>	\$2,690
Franchise 21	<del>\$446,330</del> <u>11,648</u>	<del>\$132,966</del> <u>128,448</u>	<del>117</del> <u>\$1</u> <u>27</u>	<del>\$3,814.79</del> <u>,029</u>	<del>\$2,678</del> <u>,017</u>
Franchise 22	<del>\$292,785</del> <u>90,100</u>	<del>\$112,060</del> <u>137,386</u>	<del>85</del> <u>\$11</u> <u>4</u>	<del>\$3,444.53</del> <u>,422</u>	<del>\$2,126</del> <u>,217</u>
Franchise 23	<del>\$710,414</del> <u>48,801</u>	<del>\$247,899</del> <u>255,475</u>	<del>138</del> <u>\$1</u> <u>82</u>	<del>\$5,147.93</del> <u>,664</u>	<del>\$3,352</del> <u>,260</u>
Franchise 24	<del>\$507,336</del> <u>48,174</u>	<del>\$158,545</del> <u>149,575</u>	<del>118</del> <u>\$1</u> <u>23</u>	<del>\$4,299.46</del> <u>,457</u>	<del>\$2,956</del> <u>,241</u>
Franchise 25	<del>\$654,063</del> <u>88,323</u>	<del>\$168,510</del> <u>176,164</u>	<del>100</del> <u>\$1</u> <u>41</u>	<del>\$6,540.63</del> <u>,882</u>	<del>\$4,856</del> <u>,632</u>
Franchise 26	<del>\$530,844</del> <u>09,846</u>	<del>\$290,252</del> <u>279,896</u>	<del>138</del> <u>\$1</u> <u>72</u>	<del>\$3,846.70</del> <u>,127</u>	<del>\$1,743</del> <u>,500</u>
Franchise 27	<del>\$325,055</del> <u>05,232</u>	<del>\$87,060</del> <u>71,213</u>	<del>116</del> <u>\$1</u> <u>12</u>	<del>\$2,802.20</del> <u>,725</u>	<del>\$2,052</del> <u>,089</u>
Franchise 28	<del>\$314,922</del> <u>81,600</u>	<del>\$99,101</del> <u>65,145</u>	<del>56</del> <u>\$29</u>	<del>\$5,623.61</del> <u>,262</u>	<del>\$3,854</del> <u>,016</u>
Franchise 29	<del>\$280,225</del> <u>53,917</u>	<del>\$109,262</del> <u>133,885</u>	<del>50</del> <u>\$95</u>	<del>\$5,604.50</del> <u>,778</u>	<del>\$3,419</del> <u>,369</u>
Franchise 30		<del>\$133,245</del> <u>159,341</u>			

Franchisee	Annual Gross Revenue	Annual Product Cost (including consumables & Equipment)	Annual Invoices	Average Invoice	Average Profit Per Invoice
	<del>\$383,268</del> <u>566,817</u>		<del>82</del> <u>1</u> \$12	<del>\$4,674.00</del> <u>.684</u>	<del>\$3,049</del> <u>.368</u>
Franchise 31	<del>\$363,715</del> <u>97,195</u>	<del>\$123,310</del> <u>80,742</u>	<del>69</del> <u>72</u>	<del>\$5,271.23</del> <u>.128</u>	<del>\$3,484</del> <u>.006</u>
Franchise 32	<del>\$400,255</del> <u>20,883</u>	<del>\$168,807</del> <u>150,065</u>	<del>79</del> <u>91</u>	<del>\$5,066.52</del> <u>.625</u>	<del>\$2,930</del> <u>.976</u>
Franchise 33	<del>\$273,663</del> <u>05,251</u>	<del>\$126,614</del> <u>65,673</u>	<del>64</del> <u>46</u>	<del>\$4,275.98</del> <u>.462</u>	<del>\$2,298</del> <u>.034</u>
Franchise 34	<del>\$342,300</del> <u>03,086</u>	<del>\$86,889</del> <u>64,513</u>	<del>65</del> <u>61</u>	<del>\$5,266.15</del> <u>.969</u>	<del>\$3,929</del> <u>.911</u>
Franchise 35	<del>\$325,852</del> <u>73,455</u>	<del>\$95,798</del> <u>99,158</u>	<del>102</del> <u>11</u> \$1	<del>\$3,194.63</del> <u>.364</u>	<del>\$2,255</del> <u>.471</u>
Franchise 36	<del>\$288,297</del> <u>88,126</u>	<del>\$106,019</del> <u>169,950</u>	<del>44</del> <u>80</u>	<del>\$6,552.20</del> <u>.352</u>	<del>\$4,143</del> <u>.227</u>
Franchise 37	<del>\$293,917</del> <u>88,331</u>	<del>\$104,000</del> <u>123,865</u>	<del>35</del> <u>87</u>	<del>\$8,397.63</del> <u>.613</u>	<del>\$5,426</del> <u>.189</u>
Franchise 38	<del>\$243,517</del> <u>69,006</u>	<del>\$82,129</del> <u>183,013</u>	<del>54</del> <u>79</u>	<del>\$4,509.57</del> <u>.671</u>	<del>\$2,989</del> <u>.354</u>
Franchise 39	<del>\$313,179</del> <u>27,963</u>	<del>\$94,118</del> <u>104,684</u>	<del>74</del> <u>83</u>	<del>\$4,232.15</del> <u>.156</u>	<del>\$2,960</del> <u>.895</u>
Franchise 40	<del>\$372,581</del> <u>75,876</u>	<del>\$104,684</del> <u>113,968</u>	<del>63</del> <u>64</u>	<del>\$5,913.98</del> <u>.311</u>	<del>\$4,252</del> <u>.530</u>
Franchise 41	<del>\$588,177</del> <u>12,052</u>	<del>\$141,182</del> <u>186,701</u>	<del>128</del> <u>7</u> \$8	<del>\$4,595.13</del> <u>.886</u>	<del>\$3,492</del> <u>.740</u>
<u>Franchise 42</u>	<u>\$260,918</u>	<u>\$93,473</u>	<u>\$36</u>	<u>\$7,248</u>	<u>\$4,651</u>
<b>Average</b>	<del>\$465,974</del> <u>507,317</u>	<del>\$151,812</del> <u>151,552</u>	<del>108</del> <u>13</u> \$1	<del>\$4,652.48</del> <u>.7</u>	<del>\$3,136</del> <u>.410</u>
<b>Number /Percent that Exceeded Average</b>	<del>15 (38%)</del> <u>19 (45%)</u>	<del>14 (35%)</del> <u>16 (38%)</u>	<del>15 (38%)</del> <u>16 (38%)</u>	<del>21 (53%)</del> <u>17 (40%)</u>	<del>20 (50%)</del> <u>17 (40%)</u>
<b>Highest</b>	<del>\$1,404,270</del> <u>1,314,028</u>	<del>\$435,455</del> <u>487,838</u>	<del>\$398</del> <u>412</u>	<del>\$8,398</del> <u>7,352</u>	<del>\$5,426</del> <u>5,822</u>
<b>Lowest</b>	<del>\$206,786</del> <u>98,761</u>	<del>\$37,451</del>	<del>\$35</del>	<del>\$2,488</del>	<del>\$1,462</del>
<b>Median</b>	<del>\$372,581</del> <u>440,940</u>	<del>\$126,614</del> <u>126,157</u>	\$93	<del>\$4,658</del> <u>4,678</u>	<del>\$3,088</del> <u>3,259</u>

Chart I(B) – Company-owned Garage Force Business During the ~~2023~~2024 Calendar Year

	Annual Gross Revenue	Annual Product Cost (including consumables & Equipment)	Annual Invoices	Average Invoice
Company-owned Location	\$ <del>546,077</del> <u>489</u> <u>,294</u>	\$ <del>205,842</del> <u>151</u> <u>,605</u>	<del>121</del> <u>87</u>	\$4,298

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

1. “Annual Gross Revenue” means all income of the reported Qualifying Businesses from the sale of all services and products by the Qualifying Businesses during the ~~2023~~2024 calendar year. Gross Revenue does not include any sales, use or gross receipts taxes if the amount of the tax was added to the selling price, charged to the customer, and paid to the appropriate taxing authority.
2. “Product Costs” means only those products and supplies that the Qualifying Businesses purchased from the Franchisor or its affiliates during the ~~2023~~2024 calendar year because the Franchisor or its affiliate are the exclusive suppliers of such products and supplies. Product Costs excludes salaries, utilities, taxes, equipment purchased from other suppliers, office or storage space, Continuing Fees, Branding Fees, advertising expenses, start-up costs, insurance, professional services fees such as legal and accounting, depreciation/amortization, and other miscellaneous operating costs.
3. “Annual Invoices” means the number of invoices that the Qualifying Franchisee issued to customers during the ~~2023~~2024 calendar year.
4. “Average Invoice” means the Annual Gross Revenue divided by the Annual Invoices.
5. “Average Profit per Invoice” means the Annual Gross Revenue less the Continuing Fees, Branding Fees, and costs of products purchased from Garage Force in the ~~2023~~2024 calendar year. We did not disclose an Average Profit per Invoice for the Company-owned Garage Force Business because it does not pay a Continuing Fee or Branding Fee.
6. The Qualifying Businesses are located throughout the country, are single outlets, and do not have multiple territories.

**Chart II – Expenses as a Percent of Annual Gross Revenue for the Company-Owned Business During the ~~2023~~2024 Calendar Year**

Expense <sup>(1)</sup>	Percent of Annual Gross Revenue
Product Cost <sup>(2)</sup>	<del>30%</del> <u>32%</u>
Labor <sup>(3)</sup>	<del>16%</del> <u>14%</u>
Continuing Fee <sup>(4)</sup>	5%
Local Advertising	5%
Fuel Expense	<del>3%</del> <u>2.5%</u>
Consumables <sup>(5)</sup>	<del>1%</del> <u>0.75%</u>
Equipment Maintenance	<del>1%</del> <u>0.5%</u>
Branding Fee <sup>(6)</sup>	1%
Insurance	<del>2%</del> <u>3%</u>

Total Expense %	<del>64%</del> 63.75%
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Notes to Chart II:

1. This Chart II only reflects those nine expenses that are explicitly noted in the chart for the single Company-owned Garage Force Business as a percent of its ~~2023~~2024 annual Gross Revenue, and it excludes professional service fees, insurance, licensing costs, rent, utilities, depreciation/amortization, and other miscellaneous operating costs.
2. “Product Costs” means only those products and supplies that the Company-owned Garage Force Businesses purchased from us or our affiliates during the ~~2023-2024~~calendar year because we and our affiliates are the exclusive suppliers of such products and supplies. Product Costs excludes salaries, utilities, taxes, equipment purchased from other suppliers, office or storage space, Continuing Fees, Branding Fees, advertising expenses, start-up costs, insurance, professional services fees such as legal and accounting, depreciation/amortization, and other miscellaneous operating costs.
3. “Labor” includes part-time labor for an assistant, and excludes the owner’s salary.
4. The Continuing Fee reflects the percent of the Gross Revenue that the Company-owned Garage Force Business would have paid to us had it been a franchisee and be subject to the 5% Continue Fee as required under the current form of franchise agreement.
5. “Consumables” means those items and supplies that were used up, and new or replacement equipment pieces, that were purchased from us or our affiliates throughout the ~~2023~~2024calendar year, which may include, without limitation: Rollers, Squeegees, Rags, Roller Covers, Chip Brushes, Grinder Blades, Shot, Grinders, Drills, Cleaning Supplies, Solvent, Mixing Buckets, Paint Trays, Rugs, Tarps, Canvas, Equipment Fuel
6. The Branding Fee reflects the percent of the Gross Revenue that the Company-owned Garage Force Business would have paid to us had it been a franchisee and be subject to the 1% Branding Fee as required under the current form of franchise agreement.

You should conduct an independent investigation of the costs and expenses you will incur in operating your Garage Force Business. You are responsible for developing your own business plan for your Garage Force Business, including capital budgets, financial statements, projections and other elements appropriate to your particular circumstances. We encourage you to consult with your own accounting, business, and legal advisors in doing so.

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

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

Other than the preceding financial performance representation, the Franchisor does not make any financial performance representations. The Franchisor also does not authorize its employees or representatives to make any such representations either orally or in writing. If you are purchasing an

existing outlet, however, the Franchisor may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the Franchisor’s management by contacting Michael Peterson, 700 Stonebridge Avenue, Onalaska, Wisconsin 54650; (608) 209-1507, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20. OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**Systemwide Outlet Summary**  
**For Fiscal Years ~~2021~~2022 to ~~2023~~2024**

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	<del>2021</del>	<del>80</del>	<del>133</del>	<del>+53</del>
	2022	133	164	+31
	2023	164	<del>184</del> 185	<del>+20</del> +21
	<u>2024</u>	<u>185</u>	<u>227</u>	<u>+42</u>
Company-Owned	<del>2021</del>	<del>1</del>	<del>1</del>	<del>0</del>
	2022	1	1	0
	2023	1	1	0
	<u>2024</u>	<u>1</u>	<u>1</u>	<u>0</u>
<b>Total Outlets</b>	<del>2021</del>	<del>81</del>	<del>134</del>	<del>+53</del>
	2022	134	165	+31
	2023	165	<del>185</del> 186	<del>+20</del> +21
	<u>2024</u>	<u>186</u>	<u>228</u>	<u>+42</u>

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners**  
**(Other Than Franchisor)**  
**For Fiscal Years ~~2021~~2022 to ~~2023~~2024**

State	Year	Number of Transfers
Indiana	<del>2021</del>	<del>1</del>
	<del>2022</del>	<del>0</del>
	<del>2023</del>	<del>0</del>
Minnesota	<del>2021</del>	<del>2</del>
	<del>2022</del>	<del>0</del>
	<del>2023</del>	<del>0</del>
Nebraska	<del>2021</del>	<del>0</del>
	2022	0
	2023	1
	<u>2024</u>	<u>0</u>
North Dakota	<del>2021</del> 2022	<del>0</del> 1
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>0</u>
Tennessee	2022	<del>1</del> 0
	2023	0

State	Year	Number of Transfers
	2024	1
Texas	<del>2021</del>	<del>0</del>
	2022	0
	2023	2
	2024	0
Wisconsin	<del>2021</del>	<del>0</del>
	2022	0
	2023	2
	2024	0
Totals	<del>2021</del>	<del>3</del>
	2022	1
	2023	5
	2024	1

**Table No. 3**  
**Status of Franchised Outlets**  
**For Fiscal Years ~~2021~~2022 to ~~2023~~2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Alabama	<del>2021</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>1</del>
	2022	1	2	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Arizona	<del>2021</del>	<del>2</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>2</del>
	2022	2	2	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	5	0	0	2	0	7
California	<del>2021</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
	2022	0	0	0	0	0	0	0
	2023	0	4	0	0	0	0	4
	2024	4	3	0	0	0	0	7
Colorado	<del>2021</del>	<del>7</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>7</del>
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	2	5
	2024	5	0	0	0	0	0	5
Connecticut	<del>2021</del>	<del>0</del>	<del>4</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>4</del>
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Florida	<del>2021</del>	<del>2</del>	<del>5</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>7</del>
	2022	7	3	0	0	0	0	10
	2023	10	2	0	0	0	0	12
	2024	12	6	0	0	2	1	15
Georgia	<del>2021</del>	<del>4</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>4</del>
	2022	4	1	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	1	0	0	0	0	6
Idaho	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Illinois	<u>2024</u>	<u>1</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>3</u>
	<del>2021</del>	<del>4</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>4</del>
	2022	4	2	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Indiana	<u>2024</u>	<u>6</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
	<del>2021</del>	<del>3</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>3</del>
	2022	3	0	0	0	0	0	3
	2023	3	3	0	0	0	0	6
<del>Iowa</del>	<del>2021</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>1</del>
<u>Iowa</u>	2022	1	0	0	0	0	0	1
	2023	1	6	0	0	0	0	7
	<u>2024</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
Kansas	<del>2021</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>1</del>
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Kentucky	<del>2021</del>	<del>2</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>2</del>
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	<u>2024</u>	<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Louisiana	<del>2021</del>	<del>0</del>	<del>2</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>2</del>
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>
Massachusetts	<del>2021</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<u>2024</u>	<u>1</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
Michigan	<del>2021</del>	<del>5</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>5</del>
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	2	3
	<u>2024</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Minnesota	<del>2021</del>	<del>5</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>6</del>
	2022	6	2	0	0	0	0	8
	2023	8	0	0	0	0	0	8
	<u>2024</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
Missouri	<del>2021</del>	<del>1</del>	<del>2</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>3</del>
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	<u>2024</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Montana	<del>2021</del>	<del>2</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>2</del>
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Nebraska	<del>2021</del>	<del>2</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>2</del>
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Nevada	<del>2021</del> <del>2022</del>	<del>13</del>	<del>20</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>3</del>
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>1</u>

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
	<a href="#">2024</a>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
<a href="#">New Hampshire</a>	2022	<del>30</del>	0	0	0	0	0	<del>30</del>
	2023	<del>30</del>	0	0	0	0	<del>20</del>	<del>10</del>
	<a href="#">2024</a>	<u>0</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
New Jersey	<del>2021</del>	<del>0</del>	<del>2</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>2</del>
	2022	2	0	0	0	0	0	2
	2023	2	4	0	0	0	0	6
	<a href="#">2024</a>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
<a href="#">New Mexico</a>	<a href="#">2022</a>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<a href="#">2023</a>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<a href="#">2024</a>	<u>0</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
New York	<del>2021</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	<a href="#">2024</a>	<u>2</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
North Carolina	<del>2021</del>	<del>0</del>	<del>2</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>2</del>
	2022	2	3	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	<a href="#">2024</a>	<u>5</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
North Dakota	<del>2021</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>1</del>
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<a href="#">2024</a>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<del>Ohio</del>	<del>2021</del>	<del>2</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>3</del>
<a href="#">Ohio</a>	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
	<a href="#">2024</a>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Oklahoma	<del>2021</del>	<del>2</del>	<del>5</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>7</del>
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	<a href="#">2024</a>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
Pennsylvania	<del>2021</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>1</del>
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	<a href="#">2024</a>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
South Carolina	<del>2021</del>	<del>4</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>4</del>
	2022	4	2	0	0	0	0	6
	2023	6	2	0	0	0	0	8
	<a href="#">2024</a>	<u>8</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>8</u>
South Dakota	<del>2021</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>1</del>
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	<a href="#">2024</a>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Tennessee	<del>2021</del>	<del>0</del>	<del>9</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>9</del>
	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
	<a href="#">2024</a>	<u>9</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>13</u>
<del>Texas</del>	<del>2021</del>	<del>18</del>	<del>9</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>27</del>
<a href="#">Texas</a>	2022	27	2	0	0	0	0	29
	2023	29	3	0	0	0	0	32
	<a href="#">2024</a>	<u>32</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>	<u>32</u>

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Utah	2021	0	2	0	0	0	0	2
Utah	2022	2	2	0	0	0	0	4
	2023	4	0	0	0	0	1	3
	2024	3	1	0	0	1	0	3
Virginia	2021	1	2	0	0	0	0	3
	2022	3	4	0	0	0	0	7
	2023	7	0	0	0	0	1	6
Washington	2024	6	0	0	0	0	0	6
	2021	0	2	0	0	0	0	2
	2022	2	5	0	0	0	0	7
Wisconsin	2023	7	0	0	0	0	0	7
	2024	7	2	0	0	0	0	9
	2021	7	3	0	0	0	0	10
Totals	2022	10	0	1	0	0	0	9
	2023	9	0	0	0	0	0	9
	2024	9	2	0	0	0	0	11
Totals	2021	80	53	0	0	0	0	133
Totals	2022	133	32	1	0	0	0	164
	2023	164	28	0	0	0	8	184
	2024	185	60	0	0	8	10	227

**Table No. 4**  
**Status of Company-Owned Outlets**  
**For Fiscal Years ~~2021~~2022 to ~~2023~~2024**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Arizona	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	2	0	2	0
Florida	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	2	0	2	0
Idaho	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	1	0	1	0
South Carolina	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	2	0	2	0
Utah	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	1	0	1	0
Wisconsin	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Totals	2024	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Totals	2023	1	0	0	0	0	1
	2024	1	0	8	0	8	1

**Table No. 5**  
**Projected Openings as of December 31, ~~2023~~2024**

State	Franchise Agreements Signed But Not Yet Open	Projected Franchised Outlet Openings in Next Fiscal Year <sup>(1)</sup>	Projected Company-Owned Outlet Openings in Next Fiscal Year
<a href="#">New York</a>	<u>3</u>	<u>0</u>	<u>0</u>
<b>Totals</b>	<del>0</del> 3	0	0

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

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

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

#### **ITEM 21. FINANCIAL STATEMENTS**

Exhibit A are the audited Financial Statements for the Franchisor as of the fiscal years ended and [December 31, 2024](#), December 31, 2023, ~~December 31, 2022~~, and December 31, ~~2021~~[2022](#), as well as our interim unaudited financial statements dated ~~April 30~~[March 31, 2024](#)~~2025~~.

#### **ITEM 22. CONTRACTS**

Exhibit B is the Franchise Agreement.

#### **ITEM 23. RECEIPT**

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

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

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

**CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT**

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

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

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

SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

Special Risks to Consider About *This* Franchise

Item 3, Additional Disclosure:

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

Item 6, Additional Disclosure:

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

Item 17, Additional Disclosures:

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

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

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

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

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

Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
- (d) Violations of any provision of this division.

The franchisor's website address is [www.garageforce.com](http://www.garageforce.com)

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

## ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

### Item 5 Additional Disclosure:

Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business. The deferral of the initial franchise fee is required by the Illinois Attorney General's Office based on our financial statements.

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

Illinois law governs the Franchise Agreement.

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

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

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

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

## **MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT**

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

Item 5 of the Disclosure Document and the Franchise Agreement are amended as follows: Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

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

Item 17(v) of the Disclosure Document is amended to disclose as follows: This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

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

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

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

## **MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT**

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Item 5 of the Disclosure Document is amended as follows: Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

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

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

## NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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

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

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

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

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

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

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

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

3. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for a franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**: You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum,”** and Item 17(w), titled **“Choice of law”**:

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

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 *et seq.*), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

## **NORTH DAKOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT**

To the extent the North Dakota Franchise Investment Law, N.D. Cent. Code, §§51-19-01 – 51-19-17 applies, the terms of this Addendum apply.

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

Any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota may be unenforceable under North Dakota law. Any mediation or arbitration will be held at a site agreeable to all parties. If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control. Any general release the franchisee is required to assent to as a condition of renewal is not intended to nor shall it act as a release, estoppel or waiver of any liability franchisor may have incurred under the North Dakota Franchise Investment Law.

The Franchise Agreement is amended to provide that the prevailing party in any enforcement action will be entitled to recover its Costs and Expenses.

The Franchise Agreement includes a waiver of exemplary and punitive damages. This waiver may not be enforceable under North Dakota law.

The Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. This waiver may not be enforceable under North Dakota law.

The Franchise Disclosure Document and Franchise Agreement may require franchisees to consent to termination or liquidated damages. This requirement may not be enforceable under North Dakota law.

The Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. To the extent this requirement conflicts with North Dakota law, North Dakota law will apply.

Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchise is open for business.

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

**RHODE ISLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT**

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

## **SOUTH DAKOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT**

To the extent the South Dakota Franchise Investment Act, S.D. Codified Laws §§37-5B-53 – 37-5B-53 applies, the terms of this Addendum apply.

### **Item 5, Additional Disclosure:**

Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

## **VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT**

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

### **Item 5, Additional Disclosure:**

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

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

## WASHINGTON ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

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

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement ~~in~~or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions ~~which may that~~ supersede the franchise agreement ~~in~~or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including ~~the areas of termination and renewal of your franchise~~those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. General Release. A release or waiver of rights ~~executed by a franchisee may not include rights~~in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any ~~rule~~rules or ~~order~~orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions ~~such as those which~~contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

**7. Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

**8. Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

**9. Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

**10. Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

**11. Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

**12. Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

**13. Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

**14. Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any ~~provisions~~ provision contained in

the franchise agreement or elsewhere that ~~conflict~~conflicts with these limitations ~~are~~is void and unenforceable in Washington.

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

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

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

**Use of**

**17. Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

**18. Advisory Regarding Franchise Brokers.** ~~The franchisor uses the services of franchise brokers to assist it in selling~~Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. ~~Do not rely only on the~~If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by ~~at~~the franchise broker about a franchise. ~~Do your own investigation by contacting the franchisor’s current and former franchisees to ask them about their experience with the franchisor~~

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**Ilfrich Integrated Solutions, Inc.**  
FRANCHISE DISCLOSURE DOCUMENT  
EXHIBIT A  
FINANCIAL STATEMENTS

**ILFRICH INTEGRATED SOLUTIONS, INC.  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**ILFRICH INTEGRATED SOLUTIONS, INC.  
TABLE OF CONTENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEETS	3
STATEMENTS OF INCOME	4
STATEMENTS OF STOCKHOLDER'S EQUITY	5
STATEMENTS OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7

## INDEPENDENT AUDITORS' REPORT

To Management  
Ilfrich Integrated Solutions, Inc.  
Onalaska, Wisconsin

### Opinion

We have audited the accompanying financial statements of Ilfrich Integrated Solutions, Inc. (a Wisconsin S corporation), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ilfrich Integrated Solutions, Inc. as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

*Pitzl & Pitzl, PA*

Pitzl & Pitzl, PA  
Arden Hills, MN  
April 29, 2025

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**BALANCE SHEETS**  
**AS OF DECEMBER 31, 2024 AND 2023**

	<b>DECEMBER 31, 2024</b>	<b>DECEMBER 31, 2023</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 138,522	\$ 249,488
Accounts Receivable, Net	1,583,828	1,463,895
Inventory	621,684	319,682
Current Portion of Deferred Expenses	297,746	220,246
Current Portion of Right-of-Use Assets	50,797	50,797
Income Taxes Refundable	-	72,633
Total Current Assets	2,692,577	2,376,741
<b>EQUIPMENT AND FURNITURE</b>		
Equipment and Furniture	967,856	967,115
Less: Accumulated Depreciation	(532,318)	(416,500)
Equipment and Furniture, Net	435,538	550,615
<b>OTHER ASSETS</b>		
Deferred Expenses	2,002,649	1,552,612
Right-of-Use Assets	139,690	190,487
Organizational Costs	38,000	38,000
Accumulated Amortization	(27,022)	(24,489)
Total Other Assets	2,153,317	1,756,610
Total Assets	\$ 5,281,432	\$ 4,683,966
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 263,396	\$ 1,420,990
Accrued Expenses	395,443	541,006
Current Portion of Deferred Revenue	847,262	634,498
Current Portion of Lease Liabilities	47,694	44,478
Current Portion of Long-Term Debt	-	2,564
Income Taxes Payable	78,527	-
Total Current Liabilities	1,632,322	2,643,536
<b>LONG-TERM LIABILITIES</b>		
Deferred Revenue	5,329,960	4,043,127
Lease Liabilities	149,695	197,389
Notes Payable	150,000	147,436
Total Long-Term Liabilities	5,629,655	4,387,952
Total Liabilities	7,261,977	7,031,488
<b>STOCKHOLDER'S EQUITY</b>		
Common Stock, \$1 par value; 100 shares authorized and outstanding	100	100
Accumulated Deficit	(1,980,645)	(2,347,622)
Total Stockholder's Equity	(1,980,545)	(2,347,522)
Total Liabilities and Stockholder's Equity	\$ 5,281,432	\$ 4,683,966

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

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<b>DECEMBER 31, 2024</b>	<b>DECEMBER 31, 2023</b>
<b>REVENUE</b>	\$ 12,142,968	\$ 11,439,042
<b>COST OF GOODS SOLD</b>	8,019,144	7,630,375
<b>GROSS PROFIT</b>	4,123,824	3,808,667
<b>EXPENSES</b>		
Compensation and Benefits	1,658,079	1,503,691
Advertising, Marketing, and Printing	520,210	625,430
Rent Expense	110,797	117,699
Professional Fees	214,826	200,666
Amortization	2,533	2,533
Depreciation	146,966	143,196
Bank Charges	2,999	2,160
Commissions	410,707	665,910
Dues and Subscriptions	48,416	40,384
Hardware and Software	19,494	9,172
Insurance	124,783	86,836
Licenses and Permits	7,475	37,616
Office Supplies	54,188	69,762
Repairs and Maintenance	5,649	8,774
Small Tools and Equipment	17,124	14,560
Telephone and Internet	19,001	13,515
Travel, Meals and Entertainment	83,580	117,132
Utilities	20,941	29,766
Vehicle Expenses	31,207	34,626
Total Operating Expenses	3,498,975	3,723,428
<b>OPERATING INCOME</b>	624,849	85,239
<b>OTHER INCOME (EXPENSE)</b>		
Other Income	52,664	89,529
Gain on Disposal of Fixed Assets	10,787	7,037
Interest Expense	(24,953)	(11,071)
Total Other Income (Expense)	38,498	85,495
<b>NET INCOME BEFORE STATE TAX EXPENSE</b>	663,347	170,734
<b>STATE TAX EXPENSE</b>	141,295	267
<b>NET INCOME</b>	\$ 522,052	\$ 170,467

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

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**STATEMENTS OF STOCKHOLDER'S EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<b>Common Shares Outstanding</b>	<b>Common Stock</b>	<b>Accumulated Deficit</b>	<b>Total Stockholder's Equity</b>
<b>BALANCE AT DECEMBER 31, 2022</b>	100	\$ 100	\$ (2,249,319)	\$ (2,249,219)
Net Income	-	-	170,467	170,467
Shareholder Distributions	-	-	(268,770)	(268,770)
<b>BALANCE AT DECEMBER 31, 2023</b>	100	\$ 100	\$ (2,347,622)	\$ (2,347,522)
Net Income	-	-	522,052	522,052
Shareholder Distributions	-	-	(155,075)	(155,075)
<b>BALANCE AT DECEMBER 31, 2024</b>	100	\$ 100	\$ (1,980,645)	\$ (1,980,545)

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

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<b>DECEMBER 31, 2024</b>	<b>DECEMBER 31, 2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	\$ 522,052	\$ 170,467
Adjustments to Reconcile Net Income to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	146,966	143,196
Amortization	2,533	2,533
(Gain) or Loss from Sale of Property and Equipment	(10,787)	(7,037)
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(119,933)	(392,522)
Deferred Expenses	(527,537)	126,198
Inventory	(302,002)	255,720
Income Taxes Refundable	72,633	(72,633)
Right-of-Use Assets	50,797	(241,284)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(1,157,594)	487,598
Accrued Expenses	(145,563)	(42,301)
Income Taxes Payable	78,527	(30,000)
Deferred Revenue	1,499,597	(313,224)
Lease Liabilities	(44,478)	241,867
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>65,211</b>	<b>328,578</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Property and Equipment	78,000	70,000
Purchases of Furniture and Equipment	(99,102)	(147,448)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(21,102)</b>	<b>(77,448)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Note Payable	-	(8,998)
Shareholder Distributions	(155,075)	(268,770)
<b>NET CASH USED BY FINANCING ACTIVITIES</b>	<b>(155,075)</b>	<b>(277,768)</b>
<b>NET DECREASE IN CASH</b>	<b>(110,966)</b>	<b>(26,638)</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>249,488</b>	<b>276,126</b>
<b>CASH AT END OF PERIOD</b>	<b>\$ 138,522</b>	<b>\$ 249,488</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash Paid during the year for:		
Interest	\$ 24,953	\$ 11,071
Taxes	\$ 29,224	\$ 33,569

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

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Operations**

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

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

**Use of Estimates**

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

**Fair Value of Financial Instruments**

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

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

Level 1 Inputs—Unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.

Level 2 Inputs—Inputs, other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs—Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

The Company did not identify any assets or liabilities that are required to be presented at fair value on a recurring basis. Carrying values of non-derivative financial instruments, including cash, accounts receivable, accounts payable, accrued expenses and other current liabilities, approximated their fair values due to the short-term maturity of these financial instruments. Included in cash and cash equivalents as of December 31, 2024 and 2023 is a checking account balance which is reported at fair value.

*See independent auditors’ report*

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

**Cash and Cash Equivalents**

At December 31, 2024 and 2023, the Company maintained its cash at financial institutions in bank deposits, which occasionally exceeded the federally-insured limits. The Company has not experienced any losses on such accounts and does not believe it is exposed to any significant risk on cash.

**Accounts Receivable**

Accounts receivables are recognized when products and franchises are sold. The Company extends credit to many of its customers in the ordinary course of business. Generally, these sales are unsecured. Accounts receivables are stated at cost, net of any allowance for credit losses. The Company reviews and evaluates the accounts receivable with an on-going basis and established an allowance for credit losses, when deemed necessary, based on its history of past write-offs, collections, and current credit.

**Allowance for Credit Losses**

An allowance for credit losses is estimated and recorded based on management's judgement and experience. Accounts receivable are normally due thirty days after the issuance of the invoice. When management decides receivables are considered delinquent, they are written off based on individual credit evaluation and specific circumstances of the customer. The allowance for credit losses on December 31, 2024 and 2023 was \$0 and \$0, respectively.

**Equipment and Furniture**

Property and equipment are stated at cost. Depreciation on property and equipment is computed using the straight-line method over the estimated economic useful lives of the assets, which range from 3 to 15 years. Depreciation expense was \$146,966 and \$143,196 for the years ended December 31, 2024 and 2023, respectively.

**Intangible Assets**

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

**Deferred Expenses**

The company capitalized incremental costs of obtaining a non-cancellable revenue contract. Sales commissions are considered incremental and recoverable costs of acquiring customer contracts and are capitalized and amortized on a straight-line basis over the anticipated period of benefit, which is considered to be the length of the related franchise agreement. Assets recorded are included in capitalized costs to obtain contracts, current and noncurrent. Amortization expense is recorded in other operating expenses on the statements of income.

**Deferred Revenue**

Deferred Revenue represents revenue collected but not earned as of December 31, 2024 and 2023. This is primarily composed of revenue from initial franchise fees. Initial franchise fees earned within the succeeding 12-month period are recorded as the current portion of deferred revenue and the remaining portion is recorded as non-current deferred revenue.

*See independent auditors' report*

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

**Inventory Valuation**

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

**Income Taxes**

The Company elected on May 12, 2014 to be taxed under the provisions of section 1362, subchapter S, of the Internal Revenue Code. Under those provisions the Company does not pay federal corporate income tax on its taxable income. Instead, the stockholders are liable for individual income taxes on their respective shares. In December 2018, the Wisconsin legislature passed Senate Bill 883, which became 2017 Wisconsin Act 368. This bill included a provision that allowed S Corporations an optional election to be taxed at the entity level for Wisconsin income tax. The company made this election effective January 1, 2022. As a result of this election, total income tax expense in 2024 and 2023 was \$141,295 and \$267, respectively. The Company may be required to pay an Economic Development Surcharge tax to the State of Wisconsin or other fees to state taxing authorities as required by law.

**Accounting for Uncertainty in Income Tax Items**

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

Accordingly, the Company has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at December 31, 2024 and 2023. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

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

**Sales and Use Taxes**

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

**Advertising**

The Company's policy is to expense advertising costs as such costs are incurred. Total advertising costs expensed in 2024 and 2023 were \$520,210 and \$625,430, respectively.

*See independent auditors' report*

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

**Revenue Recognition**

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

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

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

**Shipping and Handling Costs**

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

**Compensated Absences**

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

**Reclassifications**

Certain reclassifications may have been made to the 2023 financial statements in order to conform to the presentation of the 2024 financial statements, none of which have a material effect on financial position, results of operations or cash flows.

**Common Control Entities**

Under Accounting Standards Update (ASU) No. 2018-17, Targeted Improvements to Related Party Guidance for Variable Interest Entities, the Company is no longer evaluating whether entities under common control need to be consolidated as a variable interest entity.

**Common Control Leasing Arrangement**

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

*See independent auditors' report*

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

**New Accounting Pronouncements Recently Adopted**

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

In February 2016, the FASB issued ASU 2016-02, "Leases", which, for operating leases, requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. This new guidance is effective for annual reporting periods beginning after December 15, 2021 with early adoption permitted. The Company has adopted this guidance for the year ended December 31, 2022.

As a result of the adoption of the new lease accounting guidance, the Company's right-of-use (ROU) assets and lease liabilities are the following at December 31:

	2024	2023
ROU Assets	190,487	241,284
Lease Liabilities	197,389	241,867

The Company recognized a right-of-use asset and lease liability for one five-year lease with a remaining lease term of 3.75 years and a discount rate of 7.0% at December 31, 2024.

The Company's lease obligations are the following at December 31:

	Obligation Amount
Obligations due in 2025	\$ 47,694
Obligations due in 2026	51,141
Obligations due in 2027	54,839
Obligations due in 2028	43,715
Total	\$ 197,389

This adoption did not have a material effect on the Company's financial position, results of operations, or cash flows.

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

**New Accounting Pronouncements Recently Adopted (continued)**

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Company adopted the new standard effective January 1, 2022, the first day of the Company’s fiscal year, using the modified retrospective method.

Under the modified retrospective method, the Company has elected to apply ASC 606 and related GAAP changes to all contracts that were not completed at the date of initial application. Based on the evaluation of current contracts and revenue streams, revenue recognition is mostly consistent under both the previous and new standard, with the exception of the Company’s implementation revenue and commissions paid related to franchise contracts. Under the previous standard, implementation revenue was recognized in the month when the training services concluded, and the client was declared live and commissions related to the signing of a new contract were expensed when paid. Upon adoption of the new standard, initial franchise fee revenue and contract commissions are recognized monthly over the defined contract period when substantially all services or conditions relating to the franchise sale have been performed or satisfied by the Company.

In the following table, revenue from franchise fees (see note 5 for initial franchise fees below) is disaggregated by timing of satisfaction of service obligations under Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606) for the years ended December 31:

	2024	2023
Service obligations satisfied	\$ 717,630	\$ 1,629,795
Service obligations to be satisfied, beginning	\$ 4,677,625	\$ 4,990,849
Service obligations to be satisfied, ending	\$ 6,177,222	\$ 4,677,625

In June 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-13, Financial Instruments-Credit Losses (Topic 326), which provides guidance for measurement of credit losses. The new guidance’s main goal is to improve financial reporting by requiring earlier recognition of credit losses on financing receivables and other financial assets. The Company adopted this guidance effective January 1, 2023. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applied to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. The Company has applied the new standard to Accounts Receivable.

*See independent auditors’ report*

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 2 STOCKHOLDER'S EQUITY**

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

**NOTE 3 SIGNIFICANT CONCENTRATIONS OF RISK**

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

The following table shows the percentage of total accounts receivable from customers in the years ended December 31, 2024, and 2023 accounted for the most of the Company's total accounts receivable.

	<u>2024</u>	<u>2023</u>
Customer A	11.6%	19.1%
Customer B	11.6%	10.7%
Customer C	11.6%	10.6%

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

The following table shows the percentage of total revenue from customers whose revenue accounted for more than 2.4% of the Company's total review in 2024 and 3.5% in 2023.

	<u>2024</u>	<u>2023</u>
Customer A	5.3%	4.0%
Customer B	3.7%	3.5%
Customer C	3.6%	3.5%
Customer D	2.4%	3.5%

**NOTE 4 WARRANTY**

The Company accrues an estimate of its exposure to warranty claims based on both current and historical sales data and warranty costs incurred. The Company assesses the adequacy of its recorded warranty liability annually and adjusts the amount as necessary. As of December 31, 2024 and 2023, the Company did not record an accrual for warranty liabilities.

*See independent auditors' report*

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 5**            **FRANCHISING**

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

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

Franchise fee revenue for the year ended December 31, 2024 and 2023 consisted of \$717,630 and \$1,629,795, respectively, of initial franchise fees. The 2023 franchise fee revenue of \$1,629,795 included recognition of initial franchise fee revenue from prior year franchise agreements that were terminated in 2023 or identified as inactive in 2023, which amounted to \$905,794.

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

In 2024, the Company sold 31 franchise territories. As of December 31, 2024, the company had 145 franchised territories in operation. There were no franchisor-owned outlets in operation during this period.

**NOTE 6**            **LEASE OBLIGATIONS**

The Company has two leases for its real estate; the one under a month-to-month cancellable lease with the right to renew at month end and the other under a five-year cancelable lease that was signed and effective on October 1, 2023. The first lease (month-to-month) is for the building owned by Castle Bluff LLC (a Wisconsin partnership), which is owned by the majority shareholder of Ilfrich Integrated Solutions, Inc. Monthly rent for the first lease for the years ended 2024 and 2023 was \$10,000 and \$10,000, respectively. For the second lease (five-year lease), the Company adopted ASC 842, *Leases*, which requires the recognition of a right-of-use asset and lease liability based on the present value of the remaining lease payments. For 2024 and 2023, for the five-year lease, the Company recognized a right-of use asset for \$190,487 and \$241,284, and lease liability for \$197,389 and \$241,867, respectively.

*See independent auditors' report*

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 7            TRANSACTIONS WITH RELATED PARTIES**

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

- A. Garage Force Capital, Inc., a company related by common ownership, provides financing services to some of the customers of Ilfrich Integrated Solutions, Inc.
- B. The Company rents real estate from a related party under an operating lease as described in Note 6.

**NOTE 8            COMMITMENTS AND CONTINGENCIES**

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

Additionally, the Company will accrue a liability for loss contingencies when it believes that it is both probable that a liability has been incurred and that it can reasonably estimate the amount of the loss. The Company will review these accruals and adjust them to reflect ongoing negotiations, settlements, rulings, advice of legal counsel, and other relevant information. To the extent new information is obtained, and the Company's views on the probable outcomes of claims, suits, assessments, investigations, or legal proceedings change, changes in the Company's accrued liabilities would be recorded in the period in which such determination is made. For the years ended December 31, 2024 and 2023, the accrued liability for loss contingencies was \$0 and \$0, respectively.

**NOTE 9            EMPLOYEE RETIREMENT PLAN**

Effective October 1, 2018 the Company sponsors a 401(k) retirement savings plan (the "401(k) Plan"), under which eligible employees may contribute, on a pre-tax and post-tax basis, specified percentages of their compensation, subject to maximum aggregate annual contributions imposed by the Internal Revenue Code of 1986. All employee contributions are allocated to the employee's individual account and are invested in various investment options as directed by the employee. Employees' cash contributions are 100% vested and non-forfeitable. The Company makes a 3% safe harbor contribution, based on eligible compensation, to all eligible employees' accounts that are 100% vested. The Company may also make a discretionary contribution in any year, subject to authorization by the Board of Directors. During the years ended December 31, 2024 and 2023, the Company safe harbor contribution to the 401(k) Plan was \$39,838.79 and \$36,541, respectively.

*See independent auditors' report*

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 10      LONG TERM DEBT**

The Company's long-term debt as of December 31, 2024 is as follows:

	2024
Installment note, to SBA, payable in monthly installments of \$731 with interest rate at 3.75%	\$ 150,000
Less current portion of long term debt	-
Net long term debt	\$ 150,000

Future current maturities of long-term debt as of December 31, 2024 are as follows:

Year Ending December 31	Amount
2025	\$ -
2026	3,202
2027	3,324
2028	3,451
2029 and later	140,024
	\$ 150,000

**NOTE 11      SUBSEQUENT EVENTS**

Subsequent to December 31, 2024, 31 franchisees have been added and one franchisee has terminated.

In compliance with ASC 855, Subsequent Events, the Company has evaluated subsequent events through April 29, 2025, the date the financial statements were available to be issued and no events occurred that required recording or disclosure in these financial statements other than the above.

The financial statements were approved by management and available to be issued on April 29, 2025.

**ILFRICH INTEGRATED SOLUTIONS, INC.  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

**ILFRICH INTEGRATED SOLUTIONS, INC.  
TABLE OF CONTENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEETS	3
STATEMENTS OF INCOME	4
STATEMENTS OF STOCKHOLDER'S EQUITY	5
STATEMENTS OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7

## INDEPENDENT AUDITORS' REPORT

To Management  
Ilfrich Integrated Solutions, Inc.  
Onalaska, Wisconsin

### Opinion

We have audited the accompanying financial statements of Ilfrich Integrated Solutions, Inc. (a Wisconsin S corporation), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ilfrich Integrated Solutions, Inc. as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Responsibilities of Management for the Financial Statements

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

*Pitzl & Pitzl, PA*

Pitzl & Pitzl, PA  
Arden Hills, MN  
May 9, 2024

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**BALANCE SHEETS**  
**AS OF DECEMBER 31, 2023 AND 2022**

	<b>DECEMBER 31, 2023</b>	<b>DECEMBER 31, 2022</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 249,488	\$ 276,126
Accounts Receivable, Net	1,463,895	1,071,373
Inventory	319,682	575,401
Current Portion of Deferred Expenses	220,246	235,924
Current Portion of Right-of-Use Assets	50,797	-
Income Taxes Refundable	72,633	-
Total Current Assets	2,376,741	2,158,824
<b>EQUIPMENT AND FURNITURE</b>		
Equipment and Furniture	967,115	904,972
Less: Accumulated Depreciation	(416,500)	(295,645)
Equipment and Furniture, Net	550,615	609,327
<b>OTHER ASSETS</b>		
Deferred Expenses	1,552,612	1,663,132
Right-of-Use Assets	190,487	-
Organizational Costs	38,000	38,000
Accumulated Amortization	(24,489)	(21,956)
Total Other Assets	1,756,610	1,679,176
Total Assets	\$ 4,683,966	\$ 4,447,327
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 1,420,990	\$ 933,393
Accrued Expenses	541,006	583,307
Current Portion of Deferred Revenue	634,498	650,393
Current Portion of Lease Liabilities	44,478	-
Current Portion of Long-Term Debt	2,564	4,385
Income Taxes Payable	-	30,000
Total Current Liabilities	2,643,536	2,201,478
<b>LONG-TERM LIABILITIES</b>		
Deferred Revenue	4,043,127	4,340,456
Lease Liabilities	197,389	-
Notes Payable	147,436	154,612
Total Long-Term Liabilities	4,387,952	4,495,068
Total Liabilities	7,031,488	6,696,546
<b>STOCKHOLDER'S EQUITY</b>		
Common Stock, \$1 par value; 100 shares authorized and outstanding	100	100
Accumulated Deficit	(2,347,622)	(2,249,319)
Total Stockholder's Equity	(2,347,522)	(2,249,219)
Total Liabilities and Stockholder's Equity	\$ 4,683,966	\$ 4,447,327

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

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<b>DECEMBER 31, 2023</b>	<b>DECEMBER 31, 2022</b>
<b>REVENUE</b>	\$ 11,439,042	\$ 11,128,872
<b>COST OF GOODS SOLD</b>	7,630,375	7,460,204
<b>GROSS PROFIT</b>	3,808,667	3,668,668
<b>EXPENSES</b>		
Compensation and Benefits	1,503,691	1,215,194
Advertising, Marketing, and Printing	625,430	554,131
Rent Expense	117,699	120,000
Professional Fees	200,666	145,696
Amortization	2,533	2,533
Depreciation	143,196	93,309
Bank Charges	2,160	1,992
Commissions	665,910	194,555
Dues and Subscriptions	40,384	22,588
Hardware and Software	9,172	8,306
Insurance	86,836	64,872
Licenses and Permits	37,616	15,549
Office Supplies	69,762	73,500
Repairs and Maintenance	8,774	1,478
Small Tools and Equipment	14,560	9,649
Telephone and Internet	13,515	15,776
Travel, Meals and Entertainment	117,132	48,333
Utilities	29,766	38,125
Vehicle Expenses	34,626	28,376
Total Operating Expenses	3,723,428	2,653,962
<b>OPERATING INCOME</b>	85,239	1,014,706
<b>OTHER INCOME (EXPENSE)</b>		
Other Income	89,529	20,927
Gain on Disposal of Fixed Assets	7,037	-
Interest Expense	(11,071)	(725)
Total Other Income (Expense)	85,495	20,202
<b>NET INCOME BEFORE INCOME TAX EXPENSE</b>	170,734	1,034,908
<b>INCOME TAX EXPENSE</b>	267	120,000
<b>NET INCOME</b>	\$ 170,467	\$ 914,908

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

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**STATEMENTS OF STOCKHOLDER'S EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<b>Common Shares Outstanding</b>	<b>Common Stock</b>	<b>Accumulated Deficit</b>	<b>Total Stockholder's Equity</b>
<b>BALANCE AT DECEMBER 31, 2021</b>	100	\$ 100	\$ (1,659,709)	\$ (1,659,609)
Net Income	-	-	914,908	914,908
Shareholder Distributions	-	-	(1,504,518)	(1,504,518)
<b>BALANCE AT DECEMBER 31, 2022</b>	100	\$ 100	\$ (2,249,319)	\$ (2,249,219)
Net Income	-	-	170,467	170,467
Shareholder Distributions	-	-	(268,770)	(268,770)
<b>BALANCE AT DECEMBER 31, 2023</b>	100	\$ 100	\$ (2,347,622)	\$ (2,347,522)

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

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<b>DECEMBER 31, 2023</b>	<b>DECEMBER 31, 2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	\$ 170,467	\$ 914,908
Adjustments to Reconcile Net Income to Net Cash Provided		
By (Used In) Operating Activities:		
Depreciation	143,196	93,309
Amortization	2,533	2,533
(Gain) or Loss from Sale of Property and Equipment	(7,037)	-
Decrease (Increase) in Operating Assets:		
Accounts Receivable	(392,522)	(60,894)
Deferred Expenses	126,198	(592,814)
Inventory	255,720	(308,542)
Income Taxes Receivable	(72,633)	-
Right-of-Use Assets	(241,284)	-
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	487,598	27,207
Accrued Expenses	(42,301)	539,718
Income Taxes Payable	(30,000)	(85,000)
Deferred Revenue	(313,224)	1,110,307
Lease Liabilities	241,867	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>328,578</b>	<b>1,640,732</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash Proceeds from Sale of Property and Equipment	70,000	-
Purchase of Furniture and Equipment	(147,448)	(320,430)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(77,448)</b>	<b>(320,430)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Note Payable	(8,998)	(4,026)
Shareholder Distributions	(268,770)	(1,504,518)
<b>NET CASH USED BY FINANCING ACTIVITIES</b>	<b>(277,768)</b>	<b>(1,508,544)</b>
<b>NET DECREASE IN CASH</b>	<b>(26,638)</b>	<b>(188,242)</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>276,126</b>	<b>464,368</b>
<b>CASH AT END OF PERIOD</b>	<b>\$ 249,488</b>	<b>\$ 276,126</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash Paid during the year for:		
Interest	\$ 11,071	\$ 725
Taxes	\$ 33,569	\$ 120,000

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

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 1            NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Operations**

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

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

**Use of Estimates**

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

**Fair Value of Financial Instruments**

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

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

Level 1 Inputs—Unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.

Level 2 Inputs—Inputs, other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs—Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

The Company did not identify any assets or liabilities that are required to be presented at fair value on a recurring basis. Carrying values of non-derivative financial instruments, including cash, accounts receivable, accounts payable, accrued expenses and other current liabilities, approximated their fair values due to the short-term maturity of these financial instruments. Included in cash and cash equivalents as of December 31, 2023 and 2022 is a checking account balance which is reported at fair value.

*See independent auditors’ report*

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

**Cash and Cash Equivalents**

At December 31, 2023 and 2022, the Company maintained its cash at financial institutions in bank deposits, which occasionally exceeded the federally-insured limits. The Company has not experienced any losses on such accounts and does not believe it is exposed to any significant risk on cash.

**Accounts Receivable**

Accounts receivables are recognized when products and franchises are sold. The Company extends credit to many of its customers in the ordinary course of business. Generally, these sales are unsecured. Accounts receivables are stated at cost, net of any allowance for doubtful accounts. The Company reviews and evaluates the accounts receivable with an on-going basis and established an allowance for doubtful accounts, when deemed necessary, based on its history of past write-offs, collections, and current credit.

**Allowance for Doubtful Accounts**

An allowance for uncollectible accounts is estimated and recorded based on management's judgement and experience. Accounts receivable are normally due thirty days after the issuance of the invoice. When management decides receivables are considered delinquent, they are written off based on individual credit evaluation and specific circumstances of the customer. The allowance for doubtful accounts on December 31, 2023 and 2022 was \$0 and \$0, respectively.

**Equipment and Furniture**

Property and equipment is stated at cost. Depreciation on property and equipment is computed using the straight line method over the estimated economic useful lives of the assets, which range from 3 to 15 years. Depreciation expense was \$143,196 and \$93,309 for the years ended December 31, 2023 and 2022, respectively.

**Intangible Assets**

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

**Deferred Expenses**

The company capitalized incremental costs of obtaining a noncancellable revenue contract. Sales commissions are considered incremental and recoverable costs of acquiring customer contracts and are capitalized and amortized on a straight-line basis over the anticipated period of benefit, which is considered to be the length of the related franchise agreement. Assets recorded are included in capitalized costs to obtain contracts, current and noncurrent. Amortization expense is recorded in other operating expenses on the statements of income.

**Deferred Revenue**

Deferred Revenue represents revenue collected but not earned as of December 31, 2023 and 2022. This is primarily composed of revenue from initial franchise fees. Initial franchise fees earned within the succeeding 12-month period are recorded as current portion of deferred revenue and the remaining portion is recorded as noncurrent deferred revenue.

*See independent auditors' report*

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

**Inventory Valuation**

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

**Income Taxes**

The Company elected on May 12, 2014 to be taxed under the provisions of section 1362, subchapter S, of the Internal Revenue Code. Under those provisions the Company does not pay federal corporate income tax on its taxable income. Instead, the stockholders are liable for individual income taxes on their respective shares. In December 2018, Wisconsin legislature passed Senate Bill 883, which became 2017 Wisconsin Act 368. This bill included a provision that allowed S Corporations an optional election to be taxed at the entity level for Wisconsin income tax. The company made this election effective January 1, 2022. As a result of this election, total income tax expense in 2023 and 2022 was \$267 and \$120,000, respectively. The Company may be required to pay an Economic Development Surcharge tax to the State of Wisconsin or other fees to state taxing authorities as required by law.

**Accounting for Uncertainty in Income Tax Items**

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

Accordingly, the Company has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at December 31, 2023 and 2022. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

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

**Sales and Use Taxes**

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

**Advertising**

The Company's policy is to expense advertising costs as such costs are incurred. Total advertising costs expensed in 2023 and 2022 were \$625,430 and \$554,131, respectively.

*See independent auditors' report*

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

**Revenue Recognition**

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

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

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

**Shipping and Handling Costs**

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

**Compensated Absences**

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

**Reclassifications**

Certain reclassifications may have been made to the 2022 financial statements in order to conform to the presentation of the 2023 financial statements, none of which have a material effect on financial position, results of operations or cash flows.

**Common Control Leasing Arrangement**

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

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

**New Accounting Pronouncements Recently Adopted**

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

In February 2016, the FASB issued ASU 2016-02, "Leases", which, for operating leases, requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its balance sheet. The standard also requires a lessee to recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term, on a generally straight-line basis. This new guidance is effective for annual reporting periods beginning after December 15, 2021 with early adoption permitted. The Company has adopted this guidance for the year ended December 31, 2022.

As a result of the adoption of the new lease accounting guidance, the Company's right-of-use (ROU) assets and lease liabilities are the following at December 31:

	2023	2022
ROU Assets	241,284	-
Lease Liabilities	241,867	-

This standard did not have a material effect on the Company's financial position, results of operations, or cash flows.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Company adopted the new standard effective January 1, 2022, the first day of the Company's fiscal year, using the modified retrospective method.

Under the modified retrospective method, the Company has elected to apply ASC 606 and related GAAP changes to all contracts that were not completed at the date of initial application. Based on the evaluation of current contracts and revenue streams, revenue recognition is mostly consistent under both the previous and new standard, with the exception of the Company's implementation revenue and commissions paid related to franchise contracts. Under the previous standard, implementation revenue was recognized in the month when the training services concluded, and the client was declared live and commissions related to the signing of a new contract were expensed when paid. Upon adoption of the new standard, initial franchise fee revenue and contract commissions are recognized monthly over the defined contract period when substantially all services or conditions relating to the franchise sale have been performed or satisfied by the Company.

*See independent auditors' report*

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

**New Accounting Pronouncements Recently Adopted (continued)**

In June 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-13, Financial Instruments-Credit Losses (Topic 326), which provides guidance for measurement of credit losses. The new guidance's main goal is to improve financial reporting by requiring earlier recognition of credit losses on financing receivables and other financial assets. The Company adopted this guidance effective January 1, 2023. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applied to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. The Company has applied the new standard to Accounts Receivable.

**NOTE 2            STOCKHOLDER'S EQUITY**

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

**NOTE 3            SIGNIFICANT CONCENTRATIONS OF RISK**

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

The following table shows the percentage of total revenue from customers whose revenue accounted for more than 3.5% of the Company's total revenue in 2023 and 2.5% in 2022.

	<u>2023</u>	<u>2022</u>
Customer A	4.0%	4.0%
Customer B	3.5%	3.2%
Customer C	3.5%	2.8%
Customer D	3.5%	2.7%

*See independent auditors' report*

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 3            SIGNIFICANT CONCENTRATIONS OF RISK (CONTINUED)**

The following table shows the percentage of total accounts receivable from customers in the years ended December 31, 2023, and 2022 accounted for the most of the Company's total accounts receivable.

	<u>2023</u>	<u>2022</u>
Customer A	19.1%	11.5%
Customer B	10.7%	11.2%
Customer C	10.6%	10.7%

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

**NOTE 4            WARRANTY**

The Company accrues an estimate of its exposure to warranty claims based on both current and historical sales data and warranty costs incurred. The Company assesses the adequacy of its recorded warranty liability annually and adjusts the amount as necessary. As of December 31, 2023 and 2022, the Company did not record an accrual for warranty liabilities.

**NOTE 5            FRANCHISING**

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

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

Franchise fee revenue for the year ended December 31, 2023 and 2022 consisted of \$1,629,795 and \$579,293, respectively, of initial franchise fees. The 2023 franchise fee revenue of \$1,629,795 included recognition of initial franchise fee revenue from prior year franchise agreements that were terminated in 2023 or identified as inactive in 2023, which amounted to \$905,794.

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

In 2023, the Company sold 21 franchise territories. As of December 31, 2023, the company had 114 franchised territories in operation. There were no franchisor-owned outlets in operation during this period.

*See independent auditors' report*

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 6 LEASE OBLIGATIONS**

The Company has two leases for its real estate; the one under a month-to-month cancellable lease with the right to renew at month end and the other under a five year cancelable lease that was signed and effective on October 1, 2023. The first lease (month-to-month) is for the building owned by Castle Bluff LLC (a Wisconsin partnership), which is owned by the majority shareholder of Ilfrich Integrated Solutions, Inc. Monthly rent for the first lease for the years ended 2023 and 2022 was \$10,000 and \$10,000, respectively. For the second lease (five year lease), the Company adopted ASC 842, *Leases*, which requires the recognition of a right-of-use asset and lease liability based on the present value of the remaining lease payments. For 2022, the Company determined that the right-of-use asset and lease liability did not have a material impact on the financial statements taken as whole due to the month to month nature of the lease. For 2023 for the five year lease, the Company recognized a right-of use asset for \$241,284 and lease liability for \$241,867.

**NOTE 7 TRANSACTIONS WITH RELATED PARTIES**

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

- A. Garage Force Capital, Inc., a company related by common ownership, provides financing services to some of the customers of Ilfrich Integrated Solutions, Inc.
- B. The Company rents real estate from a related party under an operating lease as described in Note 6.

**NOTE 8 COMMITMENTS AND CONTINGENCIES**

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

Additionally, the Company will accrue a liability for loss contingencies when it believes that it is both probable that a liability has been incurred and that it can reasonably estimate the amount of the loss. The Company will review these accruals and adjust them to reflect ongoing negotiations, settlements, rulings, advice of legal counsel, and other relevant information. To the extent new information is obtained, and the Company's views on the probable outcomes of claims, suits, assessments, investigations, or legal proceedings change, changes in the Company's accrued liabilities would be recorded in the period in which such determination is made. For the years ended December 31, 2023 and 2022, the accrued liability for loss contingencies was \$0 and \$0, respectively.

*See independent auditors' report*

**ILFRICH INTEGRATED SOLUTIONS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 9 EMPLOYEE RETIREMENT PLAN**

Effective October 1, 2018 the Company sponsors a 401(k) retirement savings plan (the “401(k) Plan”), under which eligible employees may contribute, on a pre-tax and post-tax basis, specified percentages of their compensation, subject to maximum aggregate annual contributions imposed by the Internal Revenue Code of 1986. All employee contributions are allocated to the employee’s individual account and are invested in various investment options as directed by the employee. Employees’ cash contributions are 100% vested and non-forfeitable. The Company makes a 3% safe harbor contribution, based on eligible compensation, to all eligible employees’ accounts that are 100% vested. The Company may also make a discretionary contribution in any year, subject to authorization by the Board of Directors. During the years ended December 31, 2023 and 2022, the Company safe harbor contribution to the 401(k) Plan was \$36,541 and \$22,000, respectively.

**NOTE 10 LONG TERM DEBT**

The Company’s long-term debt as of December 31, 2023 is as follows:

	2023
Installment note, to SBA, payable in monthly installments of \$731 with interest rate at 3.75%	\$ 150,000
Less current portion of long term debt	(2,564)
Net long term debt	\$ 147,436

Future current maturities of long-term debt as of December 31, 2024 are as follows:

Year Ending December 31	Amount
2024	\$ 2,564
2025	2,673
2026	2,787
2027	2,905
2028 and later	136,507
	\$ 147,436

**NOTE 12 SUBSEQUENT EVENTS**

In compliance with ASC 855, Subsequent Events, the Company has evaluated subsequent events through May 9, 2024, the date the financial statements were available to be issued and no events occurred that required recording or disclosure in these financial statements.

The financial statements were approved by management and available to be issued on May 9, 2024.

UNAUDITED FINANCIAL STATEMENTS  
AS OF ~~APRIL 30~~MARCH 31, ~~2024~~2025

THE FOLLOWING FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

# Balance Sheet

Garage Force Int.

As of March 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
<b>Assets</b>	
Current Assets	
Bank Accounts	
Checking	332,153.90
State Bank Financial	536.84
<b>Total for Bank Accounts</b>	<b>\$332,690.74</b>
Accounts Receivable	
Accounts Receivable	\$1,822,676.80
Allowance For Doubtful Accounts	
<b>Total for Accounts Receivable</b>	<b>\$1,822,676.80</b>
<b>Total for Accounts Receivable</b>	<b>\$1,822,676.80</b>
Other Current Assets	
Franchise Fee Payable	
Inventory Asset	621,683.66
Notes Receivable	0
Prepaid Expenses	
Uncategorized Asset	
Undeposited Funds	72,797.89
<b>Total for Other Current Assets</b>	<b>\$694,481.55</b>
<b>Total for Current Assets</b>	<b>\$2,849,849.09</b>
Fixed Assets	
Accumulated Depreciation	-569,491.80
Equipment	104,714.27
Tradeshow Booth	4,924.36
Vehicles	856,657.75
Web Development	1,560.00
<b>Total for Fixed Assets</b>	<b>\$398,364.58</b>
Other Assets	
Accumulated Amortization	-27,655.52
Deferred Expense	2,300,395.09
Organization Costs	38,000.00
Right of Use Assets	190,487.22
<b>Total for Other Assets</b>	<b>\$2,501,226.79</b>
<b>Total for Assets</b>	<b>\$5,749,440.46</b>

# Balance Sheet

Garage Force Int.

As of March 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	459,737.16
<b>Total for Accounts Payable</b>	<b>\$459,737.16</b>
Credit Cards	
Capital One - Menards Card	
GF AMEX	59,468.77
GF AMEX - Pat	205,366.73
<b>Total for Credit Cards</b>	<b>\$264,835.50</b>
Other Current Liabilities	
Accrued Expenses	39,838.79
Current Portion of Long-Term Debt	
Deferred Revenue	6,177,222.00
Due to Garage Force Capital	
Garage Force Capital - Line of Credit	
Income Tax Payable	-46,473.01
PPP Loan	
<b>Total for Other Current Liabilities</b>	<b>\$6,170,587.78</b>
<b>Total for Current Liabilities</b>	<b>\$6,895,160.44</b>
Long-term Liabilities	
Lease Liabilities	197,388.73
Note Payable	
SBAD Loan Funding	150,000.00
<b>Total for Long-term Liabilities</b>	<b>\$347,388.73</b>
<b>Total for Liabilities</b>	<b>\$7,242,549.17</b>
Equity	
Retained Earnings	-1,980,645.40
Net Income	561,918.29
Common Stock	100.00
Distributions	-150,097.91
Distributions - Castle Bluff	-36,298.96
Distributions - Evolution	-417.78
Distributions - QH	-1,549.61
Distributions - Stonebridge	108,000.00
Due to GFC	-851.43
Opening Balance Equity	

# Balance Sheet

Garage Force Int.

As of March 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
State Bank LOC	6,734.09
<b>Total for Equity</b>	<b>-\$1,493,108.71</b>
<b>Total for Liabilities and Equity</b>	<b>\$5,749,440.46</b>

# Garage Force Int.

## Profit and Loss

January - March, 2025

	TOTAL
Income	
Franchise On-boarding	1,204,500.00
Franchise Royalty Fee	225,365.43
Sales	2,599,793.05
Sales Discount	-6,733.99
Sales of Product Income	190.00
Shipping, Delivery Income	125.00
<b>Total Income</b>	<b>\$4,023,239.49</b>
Cost of Goods Sold	
Cost of Goods Sold	417,943.79
Online Retailer COGS	33,546.15
Shipping Expense	123,576.83
Subcontractors	225,617.14
Supplies & Materials - COGS	1,208,758.48
Trailers - Franchisees	180,444.50
<b>Total Cost of Goods Sold</b>	<b>\$2,189,886.89</b>
<b>GROSS PROFIT</b>	<b>\$1,833,352.60</b>
Expenses	
Advertising	106,008.22
Amortization Expense	633.33
Auto	2,694.93
Bank Charges	486.50
Commissions & fees	563,775.00
Depreciation Expense	37,173.69
Donations	1,040.00
Dues & Subscriptions	12,783.69
Hardware and Software	3,053.01
Insurance	28,664.53
Interest Expense	1,462.00
Legal & Professional Fees	21,810.85
Meals and Entertainment	11,047.15
Office Expenses	19,995.79
Payroll Expense	
Payroll Taxes	113,372.40
Wages	247,277.68
<b>Total Payroll Expense</b>	<b>360,650.08</b>
QuickBooks Payments Fees	16,984.86
Rent or Lease	60,000.00
Sales Tax Expense	6,237.45
Shipping and delivery expense	88.80
Stationery & Printing	358.81
Telephone	7,795.02
Travel	22,890.30
Utilities	1,892.97

	TOTAL
<b>Total Expenses</b>	<b>\$1,287,526.98</b>
NET OPERATING INCOME	<b>\$545,825.62</b>
Other Income	
Interest Earned	159.19
Other Ordinary Income	15,236.88
Other Portfolio Income	696.60
<b>Total Other Income</b>	<b>\$16,092.67</b>
NET OTHER INCOME	<b>\$16,092.67</b>
NET INCOME	<b>\$561,918.29</b>

**Ifrich Integrated Solutions, Inc.**  
FRANCHISE DISCLOSURE DOCUMENT  
EXHIBIT B  
FRANCHISE AGREEMENT

# FRANCHISE AGREEMENT

BETWEEN

**Ifrich Integrated Solutions, Inc.**

700 Stonebridge Avenue  
Onalaska, WI 54650  
Telephone: (608) 209-1507

AND

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---

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Name(s) of **Franchisee**

---

Street

---

City, State, Zip Code

---

Area Code and Telephone

---

Email Address

**FRANCHISED TERRITORY:**

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**DATE OF FRANCHISE AGREEMENT**

\_\_\_\_\_, 20\_\_\_\_

# FRANCHISE AGREEMENT

## Table of Contents

	<u>PAGE</u>
Article 1 GRANT OF FRANCHISE .....	1
1.1 Franchised Territory .....	1
1.2 Additional Territory .....	2
1.3 Protected Territory .....	2
1.4 Conditions .....	2
1.5 Personal License .....	2
Article 2 TERM OF FRANCHISE; FRANCHISEE’S OPTION TO REACQUIRE FRANCHISE .....	3
2.1 Term .....	3
2.2 Conditions to Option .....	3
2.3 Terms of Option .....	3
Article 3 LICENSING OF MARKS AND BUSINESS SYSTEM TO FRANCHISEE .....	3
3.1 Franchisor’s Right to License Marks .....	3
3.2 Conditions to License of Marks .....	4
3.3 Changes to Marks .....	4
3.4 Defense or Enforcement of Rights to Marks or Business System .....	4
3.5 Tender of Defense .....	4
3.6 Franchisee’s Right to Participate in Litigation .....	5
Article 4 INITIAL FEE; INITIAL EQUIPMENT PACKAGE .....	5
4.1 Initial Fee .....	5
4.2 Initial Equipment Package .....	5
4.3 Initial Coating Products .....	5
Article 5 CONTINUING FEES .....	5
5.1 Continuing Fees .....	5
5.2 Franchisee’s Obligation to Pay .....	5
5.3 Date Payable .....	6
5.4 Interest on Unpaid Continuing Fees .....	6
5.5 Late Payment Fee; Weekly Payments .....	6
5.6 Collection Costs .....	6
Article 6 BRANDING FEES; ADVERTISING .....	6
6.1 Amount of Branding Fees .....	6
6.2 Reimbursement of Branding Fee Payments .....	6
6.3 Franchisee’s Obligation to Pay .....	7
6.4 Date Payable .....	7
6.5 Interest on Unpaid Branding Fees .....	7
6.6 Administrative Fee .....	7
6.7 Collection Costs .....	7
6.8 Use of Branding Fees .....	7
6.9 Right to Borrow Funds .....	8
6.10 Local Advertising Expenditures .....	8
6.11 Report of Local Advertising .....	8
6.12 Digital Marketing Fees .....	8
6.13 Grand Opening Advertising .....	9
6.14 Participation in Marketing Programs .....	9

Article 7 CONFIDENTIAL OPERATIONS MANUAL AND OTHER INFORMATION	9
7.1 Compliance with Operations Manual	9
7.2 Confidentiality of Operations Manual	9
7.3 Revisions to Operations Manual	10
7.4 Confidentiality of Other Information	10
7.5 Confidentiality and Noncompetition Agreements	10
7.6 Remedies	10
Article 8 TRAINING	10
8.1 Initial Training Program	10
8.2 Payment of Training Expenses	11
8.3 Approval to Open; Opening Assistance	11
8.4 Additional Training	11
8.5 Release and Indemnification	11
Article 9 FRANCHISOR’S OBLIGATIONS	12
9.1 Business System	12
9.2 Consulting Services	12
Article 10 PRODUCTS AND SERVICES	12
10.1 Products and Services	12
10.2 Approved Suppliers	12
10.3 Designated Suppliers	13
10.4 Payments to Franchisor or Affiliate	13
10.5 Branding of Products	13
10.6 Independent Evaluation of Services	13
Article 11 QUALITY CONTROL UNIFORMITY AND STANDARDS REQUIRED OF FRANCHISEE	14
11.1 Quality and Service Standards	14
11.2 Minimum Sales Requirements	14
11.3 Identification of Business	14
11.4 Compliance with Standards	14
11.5 Franchisee’s Name	15
11.6 Other Businesses	15
11.7 Supplies and Equipment	15
11.8 Approved Advertising and Promotion	15
11.9 Maintenance of FF&E and Signs	15
11.10 Compliance with Operations Manual	15
11.11 Compliance with Applicable Laws	15
11.12 Other Laws	16
11.13 Payment of Obligations	16
11.14 Payment of Taxes	16
11.15 Reimbursement of Franchisor for Taxes	16
11.16 Standard Attire	16
11.17 Smoking, Drug and Alcohol Use	16
11.18 Business Hours; Personnel	17
11.19 Credit Cards	17
11.20 Gift Cards, Gift Certificates and Coupons	17
11.21 Standards of Service	17
11.22 Inspection Rights	17
11.23 Management and Operation of Franchised Business	18
11.24 Operating Entity	18
11.25 Security Interest	18

11.26	Franchisor's Right to Disclose	18
11.27	Notices of Default; Lawsuits or Other Claims	18
Article 12	COMPUTER EQUIPMENT AND SOFTWARE	19
12.1	Office and Telecommunication Equipment; Telephone Lines	19
12.2	Technology Fee	19
12.3	Computer Equipment and Software	19
12.4	Other Equipment	19
12.5	Internet Provider	19
12.6	Email Address	19
12.7	Internet Website; Intranet Matters	19
12.8	Social Media	20
Article 13	INSURANCE	20
13.1	General Liability Insurance	20
13.2	Vehicle Insurance	20
13.3	Property Insurance; Fire and Extended Coverage	20
13.4	Umbrella Liability Insurance	20
13.5	Other Insurance	20
13.6	Insurance Companies; Evidence of Coverage	21
13.7	Defense of Claims	21
13.8	Franchisor's Rights	21
13.9	Franchisee's Insurance Obligations	21
13.10	Material Breach	21
Article 14	FINANCIAL STATEMENTS, REPORTS OF GROSS REVENUES, FORMS AND ACCOUNTING	21
14.1	Monthly, Year-To-Date and Annual Financial Statements	21
14.2	Verification of Financial Statements	22
14.3	Tax Returns	22
14.4	Reports of Gross Revenues	22
14.5	Franchisor's Audit Rights	22
14.6	Electronic Funds Transfers	22
Article 15	FRANCHISOR'S RIGHT OF FIRST REFUSAL	23
15.1	Right to Purchase Business Assets	23
15.2	Notice of Proposed Sale	23
15.3	Sale of Ownership Interests by Franchisee's Owners	24
15.4	Acknowledgment of Restrictions	24
15.5	Selling Owners Subject to Covenant Not to Compete	24
15.6	Right of Franchisor to Purchase Franchise Assets	24
Article 16	TRANSFER	25
16.1	Transfer by Franchisor	25
16.2	Transfer by Franchisee to Owned or Controlled Entity	25
16.3	Transfer by Individual Franchisee in Event of Death or Permanent Disability	25
16.4	Approval of Transfer	25
16.5	Transfer to Competitor Prohibited	26
16.6	Acknowledgment of Restrictions	26
16.7	Transfer Fee	26
Article 17	FRANCHISOR'S TERMINATION RIGHTS; DAMAGES	27
17.1	Conditions of Breach	27
17.2	Notice of Breach	27

17.3	Notice of Termination	27
17.4	Franchisor's Immediate Termination Rights	27
17.5	Notice of Immediate Termination	28
17.6	Damages	28
17.7	Other Remedies	28
Article 18	FRANCHISEE'S TERMINATION RIGHTS	28
18.1	Conditions of Breach	28
18.2	Notice of Breach	28
18.3	Arbitration	28
18.4	Waiver	29
18.5	Injunctive Relief Available to Franchisor	29
Article 19	FRANCHISEE'S OBLIGATIONS UPON TERMINATION OR EXPIRATION	29
19.1	Termination of Use of Marks; Other Obligations	29
19.2	Transfer of Directory Listings	30
Article 20	FRANCHISEE'S COVENANTS NOT TO COMPETE	30
20.1	Consideration	30
20.2	In-Term Covenant Not to Compete	30
20.3	Post-Term Covenant Not to Compete	30
20.4	Injunctive Relief	31
Article 21	INDEPENDENT CONTRACTORS	31
Article 22	INDEMNIFICATION	31
22.1	Indemnification	31
22.2	Attorneys' Fees and Other Costs	32
22.3	Continuation of Obligations	32
Article 23	DISCLAIMERS; ACKNOWLEDGMENTS	32
23.1	Other Franchisees	32
23.2	Representations of Entity Franchisee	32
Article 24	FRANCHISEE'S LEGAL COUNSEL	32
Article 25	ENFORCEMENT	32
25.1	Injunctive Relief	32
25.2	Waiver	33
25.3	Payments to Franchisor	33
25.4	Effect of Wrongful Termination	33
25.5	Cumulative Rights	33
25.6	Venue and Jurisdiction	33
25.7	Binding Agreement	33
25.8	No Oral Modification	33
25.9	Entire Agreement	33
25.10	Joint and Several Liability	34
25.11	Headings; Terms	34
25.12	Franchisor's Reasonable Business Judgment	34
Article 26	ARBITRATION	34
26.1	Disputes Subject to Arbitration	34
26.2	Notice of Dispute	34
26.3	Demand for Arbitration	34
26.4	Venue and Jurisdiction	35
26.5	Powers of Arbitrators	35

26.6	Disputes Not Subject to Arbitration	35
26.7	No Collateral Estoppel or Class Actions	35
26.8	Costs and Expenses	36
26.9	Confidentiality	36
26.10	Performance During Arbitration of Disputes	36
26.11	Federal Arbitration Act	36
Article 27	GOVERNING LAW; STATE MODIFICATIONS; SEVERABILITY	36
27.1	Governing Law	36
27.2	Severability	36
Article 28	NOTICES	37
Article 29	DEFINITIONS	37
29.1	Abandon	37
29.2	Affiliate	37
29.3	Approved Suppliers	37
29.4	Business System	37
29.5	Business Assets	38
29.6	Claims	38
29.7	Competing Business	38
29.8	Computer Equipment	38
29.9	Computer Software	38
29.10	Confidential Information	38
29.11	Costs and Expenses	38
29.12	Damages	38
29.13	Designated Supplier	38
29.14	Dollars	39
29.15	Entity	39
29.16	Fee Payment Date	39
29.17	Fee Payment Period	39
29.18	FF&E	39
29.19	Financial Records	39
29.20	Financial Statements	39
29.21	Franchise	39
29.22	General Manager	39
29.23	Gross Revenues	39
29.24	Marks	39
29.25	Month; Monthly	40
29.26	Operations Manual	40
29.27	Owner; Ownership Interests	40
29.28	Personal Guarantors	40
29.29	Training Expenses	40
29.30	Products and Services	40
29.31	Salary or Salaries	40
29.32	Signs	40
29.33	Transfer or Transferred	40
29.34	Travel Expenses	40
29.35	Week; Weekly	40

**GARAGE FORCE®**  
**FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (this “Agreement”) is made, entered into and effective this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between Ilfrich Integrated Solutions, Inc., a Wisconsin corporation (the “Franchisor”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (the “Franchisee”).

**RECITALS**

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

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

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

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

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

**ARTICLE 1**  
**GRANT OF FRANCHISE**

**1.1 Franchised Territory**

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

## **1.2 Additional Territory**

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

## **1.3 Protected Territory**

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

## **1.4 Conditions**

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

## **1.5 Personal License**

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

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

**2.1 Term**

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

**2.2 Conditions to Option**

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

**2.3 Terms of Option**

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

**ARTICLE 3**  
**LICENSING OF MARKS AND BUSINESS SYSTEM TO FRANCHISEE**

**3.1 Franchisor's Right to License Marks**

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

### **3.2 Conditions to License of Marks**

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

### **3.3 Changes to Marks**

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

### **3.4 Defense or Enforcement of Rights to Marks or Business System**

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

### **3.5 Tender of Defense**

If the Franchisee is named as a defendant or party in any action involving the Marks or the Business System solely because the plaintiff or claimant is alleging that the Franchisee does not have the right to use the Marks or the Business System in conducting the Business within the Franchised Territory, then the Franchisee will have the right to tender the defense of the action to the Franchisor. The Franchisor will, at its expense, defend the Franchisee in the action providing that the Franchisee has tendered the action to the Franchisor within 10 days after receiving service of the summons and complaint relating to the action. The Franchisor will indemnify and hold the Franchisee harmless from any Damages assessed

against the Franchisee in any actions resulting solely from the Franchisee's proper licensed use of the Marks and the Business System within the Franchised Territory in accordance with the terms and conditions of this Agreement if the Franchisee has tendered the defense of the action to the Franchisor; provided however, that the Franchisee will pay all costs relating to its adoption and use of any new Marks or any changes or amendments to the Marks in accordance with Article 3.3.

### **3.6 Franchisee's Right to Participate in Litigation**

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

## **ARTICLE 4**

### **INITIAL FEE; INITIAL EQUIPMENT PACKAGE**

#### **4.1 Initial Fee**

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

#### **4.2 Initial Equipment Package**

At or prior to attending the initial training program, the Franchisee will pay the Franchisor or an Affiliate a lump sum of \$~~60,000~~65,000 for the purchase of certain supplies, merchandise, inventory and FF&E for use in the Franchised Business (the "Initial Equipment Package"). The payment for the Initial Equipment Package is non-refundable and fully earned when paid by the Franchisee.

#### **4.3 Initial Coating Products**

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

## **ARTICLE 5**

### **CONTINUING FEES**

#### **5.1 Continuing Fees**

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

#### **5.2 Franchisee's Obligation to Pay**

The Continuing Fees payable to the Franchisor under this Article will be calculated and paid to the Franchisor by the Franchisee during the entire term of this Agreement, and the Franchisee's failure to pay

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

### **5.3 Date Payable**

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

### **5.4 Interest on Unpaid Continuing Fees**

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

### **5.5 Late Payment Fee; Weekly Payments**

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

### **5.6 Collection Costs**

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

## **ARTICLE 6** **BRANDING FEES; ADVERTISING**

### **6.1 Amount of Branding Fees**

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

## **6.2 Reimbursement of Branding Fee Payments**

Prior to the Franchisor's establishment of the Branding Fund, the Franchisee will pay Branding Fees equal to 1% of the Franchisee's Gross Revenues to the Franchisor on or before the third day after such Gross Revenues are received by Franchisee. Until such time as the Branding Fund is established by the Franchisor, the Franchisor will periodically reimburse the Franchisee for the Branding Fee payments made by the Franchisee pursuant to this Article 6.2 during a calendar year within 30 days after the Franchisor's receipt of written evidence satisfactory to the Franchisor establishing that each Month during the applicable calendar year the Franchisee spent amounts equal to at least 1% of the Franchisee's Monthly Gross Revenues on approved media advertising, marketing, public relations, telemarketing and/or promotional programs for the Franchised Business in the Franchised Territory. If the Franchisee fails to provide written evidence acceptable to the Franchisor confirming that, in addition to the Local Advertising Expenditures required to be made by the Franchisee as provided for in Article 6.10, the Franchisee made approved advertising and promotion expenditures during the Months in a calendar year in amounts equal to the Branding Fee payments made by the Franchisee during the Months of the applicable calendar year, then the Franchisor will have the right to forever retain the Branding Fee payments made by the Franchisee to the Franchisor pursuant to this Article 6.2, and the Franchisor will utilize such amounts for advertising, promotion or other related expenditures as deemed appropriate by the Franchisor in its sole discretion.

## **6.3 Franchisee's Obligation to Pay**

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

## **6.4 Date Payable**

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

## **6.5 Interest on Unpaid Branding Fees**

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

## **6.6 Administrative Fee**

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

## **6.7 Collection Costs**

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

## **6.8 Use of Branding Fees**

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

## **6.9 Right to Borrow Funds**

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

## **6.10 Local Advertising Expenditures**

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

### **6.11 Report of Local Advertising**

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

### **6.12 Digital Marketing Fees**

Franchisee must pay the then-current digital marketing fees ("Digital Marketing Fees") in the manner and method set forth in the Operations Manual or as Franchisor otherwise sets forth in writing. At the Franchisor's option, it may collect the Digital Marketing Fees itself, or require Franchisee to pay the Digital Marketing Fees directly to the Franchisor's designated vendor. Franchisee is only required to pay one Digital Marketing Fee per each contiguous Franchised Territory area that Franchisee is granted the right to operate within. Currently, the Digital Marketing Fees include services for search engine optimization and pay-per-click advertisements, and other related services that the Franchisor may recommend or require. The Franchisor will credit the Digital Marketing Fees that Franchisee pays towards its approved monthly local advertising requirements.

### **6.13 Grand Opening Advertising**

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

### **6.14 Participation in Marketing Programs**

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

**ARTICLE 7**  
**CONFIDENTIAL OPERATIONS MANUAL AND OTHER INFORMATION**

**7.1 Compliance with Operations Manual**

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

**7.2 Confidentiality of Operations Manual**

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

**7.3 Revisions to Operations Manual**

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

**7.4 Confidentiality of Other Information**

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

**7.5 Confidentiality and Noncompetition Agreements**

All of the Franchisee's employees who have access to the Operations Manual, or any other Confidential Information, must, prior to obtaining access to the Operations Manual or any other Confidential Information, sign agreements in a form satisfactory to the Franchisor agreeing to maintain the

confidentiality, during the course of their employment and thereafter, of all information designated by the Franchisor as Confidential Information. Copies of all such executed agreements will be submitted to the Franchisor upon request.

## **7.6 Remedies**

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

## **ARTICLE 8 TRAINING**

### **8.1 Initial Training Program**

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

### **8.2 Payment of Training Expenses**

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

### **8.3 Approval to Open; Opening Assistance**

The Franchisee will not open and commence initial business operations until the Franchisor has given the Franchisee written approval to commence operation of the Franchisee's Business. If within 60 days after the Franchisee and its General Manager have successfully completed the Franchisor's initial training program, the Franchisee requests in writing that the Franchisor provide opening assistance to the Franchisee, the Franchisor will provide up to three days of on-the-job training and opening assistance to the Franchisee prior to or in conjunction with the initial operations of the Franchised Business in the Franchised Territory. The on-the-job training and opening assistance provided by the Franchisor may include assistance with adopting internal controls, training employees, purchasing equipment and supplies, implementing accounting procedures, implementing the Business System and evaluating the Franchisee's operational knowledge, as determined by the Franchisor. The Franchisee will, within 10 days after receiving an invoice from the Franchisor, pay the Franchisor the amount indicated in the invoice to reimburse the Franchisor for the Travel Expenses incurred by the Franchisor's personnel to provide opening assistance to the Franchisee. If, in the sole determination of the Franchisor, more than three days of opening assistance is required for the Franchised Business, the Franchisee will also pay the Franchisor the ~~then current~~ \$250 per diem fee charged by the Franchisor for such additional opening assistance. The Franchisee will, within 10 days after receiving an invoice, pay the Franchisor the amount indicated in the invoice for the additional opening assistance provided and reimburse the Franchisor for the additional Travel Expenses incurred by the Franchisor's personnel.

#### **8.4 Additional Training**

If the Franchisee chooses to send more than two people to the initial training program, the Franchisor determines that more than five days of initial training is necessary before approving the Franchisee's commencement of operations in the Franchised Territory, the Franchisee hires a new General Manager after the opening of the Business, or the Franchisor determines that additional training on topics to be selected by the Franchisor is necessary because the Franchisee's Business has failed to meet certain performance standards established by the Franchisor, or the Franchisor otherwise determines that additional training is necessary or required, the Franchisee will pay to the Franchisor the ~~then-current~~ \$250 per diem training fee charged by the Franchisor for each additional day of training provided by the Franchisor and the Training Expenses for each person who attends training on behalf of the Franchisee. If the Franchisor provides such training in the Franchised Territory, the Franchisee will also reimburse the Franchisor for all Travel Expenses incurred by the Franchisor. Payments for additional training will be due and payable by the Franchisee within 10 days after receiving an invoice from the Franchisor indicating the amount owed.

#### **8.5 Release and Indemnification**

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

### **ARTICLE 9** **FRANCHISOR'S OBLIGATIONS**

#### **9.1 Business System**

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

#### **9.2 Consulting Services**

During the term of this Agreement, the Franchisor may, upon the reasonable written request of the Franchisee or if required by the Franchisor, and subject to the availability of its personnel, provide

consulting services, assistance and training to the Franchisee at a location in the Franchised Territory regarding marketing, advertising and promotional issues, operational issues, accounting matters, personnel issues, and other business matters or special projects relating to the Franchised Business. The Franchisee will pay the Franchisor the then-current charge imposed by the Franchisor for such consulting services (up to \$375 per day), and will pay for the Travel Expenses incurred by the individual or individuals employed or retained by the Franchisor who provide such consulting services to the Franchisee within 10 days after receiving an invoice from the Franchisor indicating the amount owed.

## **ARTICLE 10**

### **PRODUCTS AND SERVICES**

#### **10.1 Products and Services**

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

#### **10.2 Approved Suppliers**

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

#### **10.3 Designated Suppliers**

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

#### **10.4 Payments to Franchisor or Affiliate**

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

#### **10.5 Branding of Products**

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

#### **10.6 Independent Evaluation of Services**

The Franchisor will have the right to hire an independent evaluation service to visit and/or assess the Franchised Business and the quality of the Products and Services provided to customers by the Franchised Business. The Franchisor will determine the number and frequency of the visits the evaluation service will make to the Franchised Business and the form of the reports the evaluation service will provide to the Franchisor. The fees charged by the evaluation service for visiting and evaluating the Franchised Business will be paid by the Franchisor. The Franchisor will provide the Franchisee with copies of all reports prepared by the evaluation service reviewing the Franchised Business.

### **ARTICLE 11**

#### **QUALITY CONTROL UNIFORMITY AND STANDARDS REQUIRED OF FRANCHISEE**

##### **11.1 Quality and Service Standards**

The Franchisor will promulgate, from time to time, uniform standards of quality and service regarding the business operations of the Franchised Business so as to protect and maintain (for the benefit of all franchisees and the Franchisor) the distinction, valuable goodwill and uniformity represented and symbolized by the Marks and the Business System. Accordingly, to insure that all franchisees will maintain and adhere to the uniformity requirements and quality standards for the Products and Services associated with the Marks and the Business System, the Franchisee agrees to maintain the uniformity and

quality standards required by the Franchisor for all Products and Services associated with the Marks and the Business System and agrees to the following terms and conditions to assure that all franchised businesses will be uniform in nature and will sell and dispense quality Products and Services to the public. Any required specifications, standards and operating procedures exist to protect the Franchisor's interests in the Business System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to the Franchisee.

### **11.2 Minimum Sales Requirements**

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

### **11.3 Identification of Business**

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

### **11.4 Compliance with Standards**

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

### **11.5 Franchisee's Name**

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

### **11.6 Other Businesses**

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

### **11.7 Supplies and Equipment**

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

### **11.8 Approved Advertising and Promotion**

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

### **11.9 Maintenance of FF&E and Signs**

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

### **11.10 Compliance with Operations Manual**

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

### **11.11 Compliance with Applicable Laws**

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

### **11.12 Other Laws**

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

### **11.13 Payment of Obligations**

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

### **11.14 Payment of Taxes**

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

### **11.15 Reimbursement of Franchisor for Taxes**

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

### **11.16 Standard Attire**

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

### **11.17 Smoking, Drug and Alcohol Use**

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

### **11.18 Business Hours; Personnel**

The Franchised Business will be open during the times and hours specified by the Franchisor in the Operations Manual, unless the Franchisor has agreed to different hours and times in writing. The Franchisee will at all times during business hours have management personnel on duty who are

responsible for supervising the employees and the business operations of the Franchisee's Business. The Franchisee will have a sufficient number of adequately trained and competent personnel on duty to guarantee efficient service to the Franchisee's customers. The Franchisee will take such steps as are necessary to ensure that its employees develop and preserve good customer relations, render competent, prompt, courteous and knowledgeable service and meet the quality and service standards established by the Franchisor.

### **11.19 Credit Cards**

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

### **11.20 Gift Cards, Gift Certificates and Coupons**

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

### **11.21 Standards of Service**

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

### **11.22 Inspection Rights**

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

### **11.23 Management and Operation of Franchised Business**

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

### **11.24 Operating Entity**

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

### **11.25 Security Interest**

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

### **11.26 Franchisor's Right to Disclose**

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

### **11.27 Notices of Default; Lawsuits or Other Claims**

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

**ARTICLE 12**  
**COMPUTER EQUIPMENT AND SOFTWARE**

**12.1 Office and Telecommunication Equipment; Telephone Lines**

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

**12.2 Technology Fee.**

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

**12.3 Computer Equipment and Software**

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

**12.4 Other Equipment**

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

**12.5 Internet Provider**

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

**12.6 Email Address**

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

### **12.7 Internet Website; Intranet Matters**

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

### **12.8 Social Media**

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

## **ARTICLE 13** **INSURANCE**

### **13.1 General Liability Insurance**

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

### **13.2 Vehicle Insurance**

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

### **13.3 Property Insurance; Fire and Extended Coverage**

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

### **13.4 Umbrella Liability Insurance**

The Franchisee will procure and maintain in full force and effect, at its sole cost and expense, “umbrella” liability insurance with coverage of at least \$2,000,000 insuring the Franchisee, the Franchisor and their

respective officers, directors, Owners, agents and employees from and against any and all Claims and Damages of any kind whatsoever in excess of the coverages obtained pursuant to Article 13.1 and 13.2 above.

### **13.5 Other Insurance**

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

### **13.6 Insurance Companies; Evidence of Coverage**

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

### **13.7 Defense of Claims**

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

### **13.8 Franchisor's Rights**

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

### **13.9 Franchisee's Insurance Obligations**

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

### **13.10 Material Breach**

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

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

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

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

**14.2 Verification of Financial Statements**

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

**14.3 Tax Returns**

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

**14.4 Reports of Gross Revenues**

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

**14.5 Franchisor's Audit Rights**

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

#### **14.6 Electronic Funds Transfers**

The Franchisee will, from time to time during the term of this Agreement, execute such documents as the Franchisor may request to provide the Franchisee's unconditional and irrevocable authority and direction to its bank or financial institution authorizing and directing the Franchisee's bank or financial institution to pay the Franchisor or an Affiliate of the Franchisor directly by electronic funds transfer ("EFT") the full amount of the Continuing Fees, Branding Fees and other sums due and payable by the Franchisee to the Franchisor or the Affiliate under this Agreement or any other agreement, and to charge such payments to the account of the Franchisee. The EFT withdrawal authorizations will be in the form prescribed by the Franchisor. EFT withdrawals will be initiated by the Franchisor on the Fee Payment Date as set forth in this Agreement, and upon the issuance of an invoice by the Franchisor or an Affiliate of the Franchisor for other amounts payable by the Franchisee. The Franchisee's EFT authorizations will permit the Franchisor to designate the amount to be withdrawn from the Franchisee's account, and to adjust such amount from time to time, for the Continuing Fees, Branding Fees and other sums then payable by the Franchisee. If the Franchisee fails at any time to provide the Gross Revenues Reports required under this Article, then the Franchisor will have the right, in its sole discretion, to estimate the amount of fees payable by the Franchisee for the applicable Fee Payment Period, and to withdraw the amount of the estimated fees by EFT from the Franchisee's bank account in accordance with the provisions of this Article 14.6. The Franchisee will at all times maintain a balance in its account at its bank or financial institution sufficient to allow the appropriate amount to be withdrawn from the Franchisee's account for all current fees or other amounts payable by the Franchisee and paid directly to the Franchisor or an Affiliate of the Franchisor. It will be a default under this Agreement if the Franchisee fails to maintain an account balance sufficient to pay the fees or other amounts payable by the Franchisee, or if the Franchisee closes the account designated to pay the fees and other amounts owed without first designating a new account and notifying the Franchisor of the new account information. The Franchisee will be responsible for all fees imposed by its bank or financial institution in connection with the Franchisee's EFT payments.

### **ARTICLE 15**

#### **FRANCHISOR'S RIGHT OF FIRST REFUSAL**

##### **15.1 Right to Purchase Business Assets**

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

##### **15.2 Notice of Proposed Sale.**

Within 15 business days after receipt by the Franchisor of the Franchisee's written offer specifying the Price and Terms for the proposed Transfer of the Business Assets, the Franchisor will give the Franchisee written notice in which the Franchisor will either waive its right of first refusal to purchase, or will state an interest in negotiating to purchase the Business Assets. If the Franchisor commences negotiations to purchase the Franchisee's Business Assets as set forth herein, then the Franchisee will not Transfer the Business Assets to a third party until the Franchisor and the Franchisee agree in writing that the negotiations have terminated. If the Franchisor waives its right to purchase, then the Franchisee will have the right to complete the Transfer of the Business Assets according to the Price and Terms set forth in the written notice to the Franchisor; however, any such Transfer to a third party is expressly subject to the terms and conditions set forth in Article 16 of this Agreement. If the Franchisee does not consummate the Transfer of the Business Assets to a third party upon the Price and Terms previously presented to the Franchisor in writing, but negotiates a sale price with a third party that is lower or on different terms and conditions than the stated Price and Terms for the Business Assets presented to the Franchisor, then the offer must be recommunicated or made to the Franchisor by the Franchisee. The

Franchisor will give the Franchisee written notice within 15 business days thereafter which will state whether or not the Franchisor is interested in purchasing the Business Assets according to the proposed new terms. The Franchisee's obligations under this Agreement including, but not limited to, its obligations to pay the Continuing Fees and Branding Fees, and to operate the business as a Franchised Business in accordance with this Agreement will in no way be affected or changed because of the Franchisor's nonacceptance of the Franchisee's written offer to purchase the Business Assets, and as a consequence, the terms and conditions of this Agreement will remain in full force and effect. Moreover, if the Franchisor does not exercise the rights granted to it pursuant to this provision and if the Franchisee complies with Article 16 and Transfers the Business Assets to a third party, then both the Franchisee and the third party purchaser will be required to comply in all respects with the terms and conditions of this Agreement and the Transfer of the Business Assets will not relieve the Franchisee of its obligations under this Agreement. The Franchisor's decision not to exercise the rights granted to it pursuant to this provision will not, in any way, be deemed to grant the Franchisee the right to terminate this Agreement and will not affect the term of this Agreement.

### **15.3 Sale of Ownership Interests by Franchisee's Owners**

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

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

### **15.4 Acknowledgment of Restrictions**

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

### **15.5 Selling Owners Subject to Covenant Not to Compete**

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

### **15.6 Right of Franchisor to Purchase Franchise Assets**

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

## **ARTICLE 16** **TRANSFER**

### **16.1 Transfer by Franchisor**

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

### **16.2 Transfer by Franchisee to Owned or Controlled Entity**

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

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

If the Franchisee is an individual, then in the event of the death or permanent disability of the Franchisee, this Agreement may be Transferred or bequeathed by the Franchisee to any designated person or beneficiary without first offering the Franchisor the right to acquire this Agreement pursuant to Article 15 of this Agreement and without the payment of any Transfer Fee. However, the Transfer of this

Agreement to the transferee or beneficiary of the Franchisee will be subject to the applicable conditions in Article 16.4, and will not be valid or effective until the Franchisor has received the properly executed legal documents which its attorneys deem necessary to properly and legally document the Transfer or bequest of this Agreement. Furthermore, the transferee or beneficiary must agree to be unconditionally bound by the terms and conditions of this Agreement and to personally guarantee the performance of the Franchisee's obligations under this Agreement.

#### **16.4 Approval of Transfer**

Subject to the provisions of Article 16.2 and 16.3, this Agreement or the Business Assets, may be Transferred by the Franchisee only with the prior written approval of the Franchisor. The Franchisor will not unreasonably withhold its consent to any Transfer of this Agreement, provided the Franchisee and/or the transferee Franchisee comply with the following conditions: (a) the Franchisee has complied in all respects with the applicable provisions of Article 15 of this Agreement; (b) the Franchisee has provided written notice to the Franchisor of the proposed Transfer at least 90 days prior to the Transfer date; (c) all of the Franchisee's monetary obligations due to the Franchisor have been paid in full, and the Franchisee is not otherwise in default under this Agreement; (d) the Franchisee has executed a written agreement, in a form satisfactory to the Franchisor, in which the Franchisee agrees to observe all applicable provisions of this Agreement, including the provisions with obligations and covenants that continue beyond the expiration or termination of this Agreement which includes the covenants not to compete contained in Article 20 of this Agreement; (e) the transferee Franchisee is not and does not intend to own, operate or be involved in a Competing Business; (f) the Franchisor and the Franchisee have executed a joint and mutual release, in a form satisfactory to the Franchisor, of any and all Claims against the Franchisor or the Franchisee and their respective officers, directors, shareholders, Owners, agents and employees, in their corporate and individual capacities arising from, in connection with, or as a result of this Agreement, any obligations of the Franchisor under this Agreement, or the Franchisee's initial purchase of the Franchise including, without limitation, all past and future Claims arising under any federal or state franchising laws, unfair or deceptive trade practices laws, anti-trust laws, or any other federal, state or local law, rule or ordinance; provided, however, that the terms of the release between the Franchisor and the Franchisee will exclude (i) any Claims based on any unpaid Continuing Fees, Branding Fees, or other amounts payable by the Franchisee on or before the date of this Agreement, (ii) any Claims brought by any third party against the Franchisor based on any event that occurred prior to the date of this Agreement, and (iii) any obligations of the Franchisor and the Franchisee arising out of or in connection with any other agreements or contracts executed by them that will remain in force and effect; (g) the transferee Franchisee has demonstrated to the Franchisor's satisfaction that he, she or it meets the Franchisor's managerial, financial and business standards for new franchisees, possesses a good business reputation and credit rating, and possesses the aptitude and ability to operate the Franchised Business in an economic and businesslike manner (as may be evidenced by prior related business experience or otherwise); (h) prior to the date of Transfer, the transferee Franchisee and its General Manager must successfully complete the training program prescribed by the Franchisor and the transferee Franchisee must pay the Training Expenses for the transferee Franchisee and all other persons sent to the Franchisor's training program; and (i) the transferee Franchisee and all parties having a legal or beneficial interest in the transferee Franchisee, including, if applicable, the transferee Franchisee's Owners and Personal Guarantors as required by the Franchisor, execute the Franchisor's then-current standard Franchise Agreement for a term ending on the date of expiration of this Agreement and such other ancillary agreements as the Franchisor may require for the Transfer of the Franchised Business. The transferee Franchisee will not be required to pay any Initial Fee, and will pay the Continuing Fees and Branding Fees to the Franchisor at the rate specified in this Agreement. However, the transferee Franchisee will be required to pay all additional fees and to comply with all other provisions not specified or provided for in this Agreement but which are required pursuant to the terms of the then-current standard Franchise Agreement. The Franchisor may expand upon, and provide more details related to, the conditions for Transfer and the Franchisor's consent as described in this Article 16.4, and may do so in the Operations Manual or otherwise in writing.

### **16.5 Transfer to Competitor Prohibited**

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

### **16.6 Acknowledgment of Restrictions**

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

### **16.7 Transfer Fee**

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

## **ARTICLE 17**

### **FRANCHISOR'S TERMINATION RIGHTS; DAMAGES**

#### **17.1 Conditions of Breach**

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

## **17.2 Notice of Breach**

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

## **17.3 Notice of Termination**

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

## **17.4 Franchisor’s Immediate Termination Rights**

Notwithstanding any other provision of this Agreement, the Franchisor will have the absolute right and privilege, unless precluded by applicable law, to immediately terminate this Agreement if: (a) the Franchisee or any of its General Managers, directors, officers or majority Owners are convicted of, or plead guilty to or no contest to a charge of violating any law relating to the Franchisee’s Business, or any felony; (b) the Franchisee is determined to be insolvent within the meaning of any state or federal law, any involuntary petition for bankruptcy is filed against the Franchisee, or the Franchisee files for bankruptcy or is adjudicated a bankrupt under any state or federal law; (c) the Franchisee makes an assignment for the benefit of creditors or enters into any similar arrangement for the disposition of its assets for the benefit of creditors; (d) the Franchisee voluntarily or otherwise Abandons its Business; (e) the Franchisee fails or refuses to permit the Franchisor to audit the Franchisee’s Financial Records or fails or refuses to produce its Financial Records for audit by the Franchisor in accordance with Article 14.5; (f) the Franchisee is involved in any act or conduct which materially impairs the goodwill associated with the Franchisor’s Marks or the Business System and the Franchisee fails to correct the breach within 24 hours of written notice from the Franchisor of the breach; or (g) the Franchisee fails to achieve its Minimum Sales Requirement for any Franchised Territory in any year.

## **17.5 Notice of Immediate Termination**

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

## **17.6 Damages**

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

### **17.7 Other Remedies**

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

## **ARTICLE 18** **FRANCHISEE'S TERMINATION RIGHTS**

### **18.1 Conditions of Breach**

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

### **18.2 Notice of Breach**

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

### **18.3 Arbitration**

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

### **18.4 Waiver**

The Franchisee must give the Franchisor immediate written notice of any alleged breach or violation of this Agreement after the Franchisee has knowledge of, believes, determines or is of the opinion that there has been an alleged breach or violation of this Agreement by the Franchisor. If the Franchisee fails to

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

### **18.5 Injunctive Relief Available to Franchisor**

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

## **ARTICLE 19** **FRANCHISEE'S OBLIGATIONS UPON** **TERMINATION OR EXPIRATION**

### **19.1 Termination of Use of Marks; Other Obligations**

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

### **19.2 Transfer of Directory Listings**

Upon termination or expiration of this Agreement, the Franchisor will have the absolute right to notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use all telephone numbers and all directory listings under the "Garage Force®" name and to authorize the telephone company and all listing agencies to transfer to the Franchisor or its assignee all telephone numbers and directory listings for the Franchised Business. The Franchisee acknowledges that the Franchisor has the absolute right and interest in and to all telephone numbers and directory listings associated with the Marks, and the Franchisee hereby authorizes the Franchisor to direct the telephone

company and all listing agencies to transfer the Franchisee's telephone numbers and directory listings to the Franchisor or the Franchisor's assignee if this Agreement expires or is terminated for any reason whatsoever. The telephone company and all listing agencies will have the right to accept this Agreement as evidence of the exclusive rights of the Franchisor to such telephone numbers and directory listings and this Agreement will constitute the authority from the Franchisee for the telephone company and listing agency to transfer all such telephone numbers and directory listings to the Franchisor. The Franchisee will not make any Claims or commence any action against the telephone company and the listing agencies for complying with this provision.

## **ARTICLE 20**

### **FRANCHISEE'S COVENANTS NOT TO COMPETE**

#### **20.1 Consideration**

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

#### **20.2 In-Term Covenant Not to Compete**

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

#### **20.3 Post-Term Covenant Not to Compete**

The Franchisee, the Franchisee's Owners and the Personal Guarantors will not, for a period of 18 months after the termination or expiration of this Agreement, on their own account or as an employee, agent, consultant, partner, officer, director or owner of any other person or Entity, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or Entity engaged in any Competing Business which is located in, or within 50 miles of, the Franchised Territory, the territory of any other Garage Force® businesses operated by the Franchisor, an Affiliate of the Franchisor, or any franchisees of the Franchisor, or any protected area granted to any other person or Entity by the Franchisor pursuant to a development agreement, subfranchise agreement or other agreement. The Franchisee, the Franchisee's Owners and the Personal Guarantors expressly agree that the time and geographical limitations set forth in this provision are reasonable and necessary to protect the Franchisor and the Franchisor's franchisees if this Agreement expires or is terminated by either party for any reason, and that this covenant not to compete is necessary to permit the Franchisor the opportunity to resell and/or develop a new Franchised Business at or in the area near the Franchised Territory. The Franchisee, the Franchisee's Owners, and Personal Guarantors acknowledge and agree that the length of time in this Section 20.3 shall be tolled for any period in which any such party is in breach of these covenants or any other period during which the Franchisor seeks to enforce this Agreement.

#### **20.4 Injunctive Relief**

The Franchisee, the Franchisee's Owners and the Personal Guarantors agree that the provisions of this Article are necessary to protect the legitimate business interests of the Franchisor and the Franchisor's franchisees including, without limitation, prevention of the unauthorized dissemination of Confidential Information to competitors of the Franchisor and the Franchisor's franchisees, protection of the

Franchisor's trade secrets and the integrity of the Franchisor's franchise system, and prevention of the duplication of the Business System by unauthorized third parties. The Franchisee, the Franchisee's Owners and the Personal Guarantors also agree that damages alone cannot adequately compensate the Franchisor if there is a violation of this Article by the Franchisee, the Franchisee's Owners or the Personal Guarantors, and that injunctive relief against the Franchisee, the Franchisee's Owners and the Personal Guarantors is essential for the protection of the Franchisor and the Franchisor's franchisees. The Franchisee, the Franchisee's Owners and the Personal Guarantors agree therefore, that if the Franchisor alleges that the Franchisee, the Franchisee's Owners or the Personal Guarantors have breached or violated this Article, then the Franchisor will have the right to petition a court of competent jurisdiction for injunctive relief against the Franchisee, the Franchisee's Owners and the Personal Guarantors, in addition to all other remedies that may be available to the Franchisor. The Franchisor will not be required to post a bond or other security for any injunctive proceeding. In cases where the Franchisor is granted ex parte injunctive relief against the Franchisee, the Franchisee's Owners or the Personal Guarantors, then the Franchisee, the Franchisee's Owners or the Personal Guarantors will have the right to petition the court for a hearing on the merits at the earliest time convenient to the court.

## **ARTICLE 21**

### **INDEPENDENT CONTRACTORS**

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

## **ARTICLE 22**

### **INDEMNIFICATION**

#### **22.1 Indemnification**

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

#### **22.2 Attorneys' Fees and Other Costs**

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

#### **22.3 Continuation of Obligations**

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

**ARTICLE 23**  
**DISCLAIMERS; ACKNOWLEDGMENTS**

**23.1 Other Franchisees**

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

**23.2 Representations of Entity Franchisee**

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

**ARTICLE 24**  
**FRANCHISEE'S LEGAL COUNSEL**

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

**ARTICLE 25**  
**ENFORCEMENT**

**25.1 Injunctive Relief**

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

**25.2 Waiver**

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

### **25.3 Payments to Franchisor**

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

### **25.4 Effect of Wrongful Termination**

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

### **25.5 Cumulative Rights**

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

### **25.6 Venue and Jurisdiction**

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

### **25.7 Binding Agreement**

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

### **25.8 No Oral Modification**

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

### **25.9 Entire Agreement**

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

### **25.10 Joint and Several Liability**

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

### **25.11 Headings; Terms**

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

### **25.12 Franchisor’s Reasonable Business Judgment**

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

## **ARTICLE 26** **ARBITRATION**

### **26.1 Disputes Subject to Arbitration**

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

### **26.2 Notice of Dispute**

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

### **26.3 Demand for Arbitration**

If the dispute alleged by either party has not been resolved within the time period provided for in this Agreement, then either party may promptly demand arbitration as provided in this Section 26 (but, in any event, before the applicable statute of limitations would bar the institution of legal or equitable proceedings based upon the claim or dispute) by giving the other party written notice demanding arbitration. Within 10 days after a written demand for arbitration has been made by the party demanding arbitration, either party will have the right to request the office of the NAF in St. Paul, Minnesota to

initiate the procedures necessary to appoint a three-arbitrator panel in accordance with the Code of Procedure of the NAF. The Arbitrators will be appointed as provided for herein within 60 days after a written demand for arbitration has been made in accordance with the Code of Procedure of the NAF.

#### **26.4 Venue and Jurisdiction**

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

#### **26.5 Powers of Arbitrators**

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

#### **26.6 Disputes Not Subject to Arbitration**

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

#### **26.7 No Collateral Estoppel or Class Actions**

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

of any other party. The Franchisee and the Franchisor agree that neither party will be entitled to allege punitive, exemplary, consequential, or other special damages, except as set forth in Section 17.7. Thus, except as provided in Section 17.7, the Arbitrators will not have the right to award punitive, exemplary, consequential, or other special damages to either party and both parties expressly waive their rights to allege or claim punitive damages.

### **26.8 Costs and Expenses**

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

### **26.9 Confidentiality**

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

### **26.10 Performance During Arbitration of Disputes**

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

### **26.11 Federal Arbitration Act**

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

## **ARTICLE 27**

### **GOVERNING LAW; STATE MODIFICATIONS; SEVERABILITY**

#### **27.1 Governing Law**

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

#### **27.2 Severability**

It is the desire and intent of the parties to this Agreement, including the Franchisee's Owners and the Personal Guarantors, that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policy applied in each jurisdiction in which enforcement is sought. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder or the taking of some other action not required hereunder, or if under any applicable law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by the Franchisor is invalid or unenforceable, the prior notice or other action

required by such law or rule will be substituted for the notice requirements hereof, or such invalid or unenforceable provision, specification, standard or operating procedure will be modified to the extent required to be valid and enforceable. If any provision of this Agreement is adjudicated to be invalid or unenforceable, then such provision will be deemed amended to modify or delete that portion thus adjudicated to be invalid or unenforceable. Such modification or deletion will apply only with respect to the operation of such provision in the particular jurisdiction in which the adjudication is made. Further, to the extent any provision of this Agreement is deemed unenforceable by virtue of its scope or limitation, the parties to this Agreement, including the Franchisee's Owners and the Personal Guarantors, agree that the scope and limitation provisions will, nevertheless, be enforceable to the fullest extent permissible under the applicable laws and public policies applied in such jurisdiction where enforcement is sought.

## **ARTICLE 28** **NOTICES**

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

## **ARTICLE 29** **DEFINITIONS**

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

### **29.1 Abandon**

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

### **29.2 Affiliate**

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

### **29.3 Approved Suppliers**

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

### **29.4 Business System**

"Business System" will mean the Franchisor's business concept and methods for operating businesses of a distinctive character and quality that provide the Products and Services. "Business System" will include

all of the uniformity requirements, standards of quality, procedures, specifications and instructions established and amended from time to time by the Franchisor.

### **29.5 Business Assets**

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

### **29.6 Claims**

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

### **29.7 Competing Business**

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

### **29.8 Computer Equipment**

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

### **29.9 Computer Software**

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

### **29.10 Confidential Information**

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

### **29.11 Costs and Expenses**

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

### **29.12 Damages**

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

### **29.13 Designated Supplier**

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

### **29.14 Dollars**

“Dollars” will mean United States of America dollars.

### **29.15 Entity**

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

### **29.16 Fee Payment Date**

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

### **29.17 Fee Payment Period**

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

### **29.18 FF&E**

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

### **29.19 Financial Records**

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

### **29.20 Financial Statements**

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

### **29.21 Franchise**

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

### **29.22 General Manager**

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

### **29.23 Gross Revenues**

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

amount of such tax; and (c) the amount of such tax is paid to the appropriate taxing authority by the Franchisee.

#### **29.24 Marks**

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

#### **29.25 Month; Monthly**

“Month” will mean a calendar month. “Monthly” will mean once per Month.

#### **29.26 Operations Manual**

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

#### **29.27 Owner; Ownership Interests**

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

#### **29.28 Personal Guarantors**

“Personal Guarantors” will mean the individuals who sign the Personal Guaranty attached to this Agreement.

#### **29.29 Training Expenses**

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

#### **29.30 Products and Services**

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

#### **29.31 Salary or Salaries**

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

#### **29.32 Signs**

“Signs” will mean the interior and exterior signs used to advertise or identify the Franchised Business in customers’ yards and on the trailers used in the Franchised Business.

#### **29.33 Transfer or Transferred**

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

#### **29.34 Travel Expenses**

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

**29.35 Week; Weekly**

“Week” will mean seven consecutive days beginning on Sunday and ending on Saturday. “Weekly” will mean once per Week.

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

*[signatures on next page]*

**“Franchisor”**

**Ifrich Integrated Solutions, Inc.**

In the Presence of:

\_\_\_\_\_

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

In the Presence of:

\_\_\_\_\_

**“Franchisee”**

\_\_\_\_\_

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

\_\_\_\_\_

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

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

<u>In the Presence of:</u>	<u>Names of Owners:</u>	<u>Percentage of Ownership:</u>
_____ Signature	_____ Signature	_____%
_____ Print Name	_____ Print Name	
_____ Signature	_____ Signature	_____%
_____ Print Name	_____ Print Name	
_____ Signature	_____ Signature	_____%
_____ Print Name	_____ Print Name	
_____ Signature	_____ Signature	_____%
_____ Print Name	_____ Print Name	
	<b>Total</b>	<b><u>100%</u></b>

## CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

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

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code §1671, certain liquidated damages clauses are unenforceable.

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

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

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

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

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**“Franchisor”**

**Ilfrich Integrated Solutions, Inc.**

In the Presence of:

\_\_\_\_\_

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

In the Presence of:

**“Franchisee”**

\_\_\_\_\_

\_\_\_\_\_

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

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

## **ILLINOIS ADDENDUM TO THE FRANCHISE AGREEMENT**

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Illinois law governs the Franchise Agreement.

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

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

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

Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business. The deferral of the initial franchise fee is required by the Illinois Attorney General's Office based on our financial statements.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

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

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**“Franchisor”**

**Ifrich Integrated Solutions, Inc.**

In the Presence of:

\_\_\_\_\_

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

In the Presence of:

**“Franchisee”**

\_\_\_\_\_

\_\_\_\_\_

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

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

## MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Franchise Agreement prevents the franchisee from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Franchise Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee.

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

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**“Franchisor”**

**Ilfrich Integrated Solutions, Inc.**

In the Presence of:

\_\_\_\_\_

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

In the Presence of:

**“Franchisee”**

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

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

## MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 4 which requires that except for certain specified cases, that franchisee be given 180 days' notice for non-renewal of this Franchise Agreement.

The Minnesota Department of Commerce requires that franchisor indemnify franchisees whose franchise is located in Minnesota against liability to third parties resulting from claims by third parties that the franchisee's use of franchisor's trademarks ("Marks") infringe upon the trademark rights of the third party. Franchisor does not indemnify against the consequences of a franchisee's use of franchisor's trademark but franchisor shall indemnify franchisee for claims against franchisee solely as it relates to franchisee's use of the Marks in accordance with the requirements of the Franchise Agreement and franchisor's standards. As a further condition to indemnification, the franchisee must provide notice to franchisor of any such claim immediately and tender the defense of the claim to franchisor. If franchisor accepts tender of defense, franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 3 which requires that except for certain specified cases, a franchisee be given 90 days' notice of termination (with 60 days to cure). Termination of the franchise by the franchisor shall be effective immediately upon receipt by franchisee of the notice of termination where its grounds for termination or cancellation are: (1) voluntary abandonment of the franchise relationship by the franchisee; (2) the conviction of the franchisee of an offense directly related to the business conducted according to the Franchise Agreement; or (3) failure of the franchisee to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logo type or other commercial symbol after the franchisee has received written notice to cure of at least twenty-four (24) hours in advance thereof.

According to Minn. Stat. Sec. 80C.21 in Minnesota Rules or 2860.4400J, the terms of the Franchise Agreement shall not in any way abrogate or reduce your rights as provided for in Minn. Stat. 1984, Chapter 80C, including the right to submit certain matters to the jurisdiction of the courts of Minnesota. In addition, nothing in this Franchise Agreement shall abrogate or reduce any of franchisee's rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedy provided for by the laws of the State of Minnesota.

Any claims franchisee may have against the franchisor that have arisen under the Minnesota Franchise Laws shall be governed by the Minnesota Franchise Law.

The Franchise Agreement contains a waiver of jury trial provision. This provision may not be enforceable under Minnesota law.

Franchisee consents to the franchisor seeking injunctive relief without the necessity of showing actual or threatened harm. A court shall determine if a bond or other security is required.

The Franchise Agreement contains a liquidated damages provision. This provision may not be enforceable under Minnesota law.

Any action pursuant to Minnesota Statutes, Section 80C.17, Subd. 5 must be commenced no more than 3 years after the cause of action accrues.

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

Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**“Franchisor”**

**Ifrich Integrated Solutions, Inc.**

In the Presence of:

\_\_\_\_\_

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

In the Presence of:

**“Franchisee”**

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

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

**NEW YORK ADDENDUM TO FRANCHISE AGREEMENT**

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.

Any provision in the Franchise Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695.

The New York Franchise Law shall govern any claim arising under that law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**“Franchisor”**

**Ilfrich Integrated Solutions, Inc.**

In the Presence of:

\_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

**“Franchisee”**

In the Presence of:

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\_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

\_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

## **NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT**

To the extent the North Dakota Franchise Investment Law, N.D. Cent. Code, §§51-19-01 – 51-19-17 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Any release executed in connection with a renewal shall not apply to any claims that may arise under the North Dakota Franchise Investment Law.

Covenants not to compete during the term of and upon termination or expiration of the franchise agreement are enforceable only under certain conditions according to North Dakota law. If the Franchise Agreement contains a covenant not to compete that is inconsistent with North Dakota law, the covenant may be unenforceable.

The choice of law other than the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control.

The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law.

The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law.

The requirement that arbitration be held outside the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. Any mediation or arbitration will be held at a site agreeable to all parties.

The requirement that a franchisee consent to termination or liquidated damages has been determined by the Commissioner to be unfair, unjust and inequitable within the intent of the North Dakota Franchise Investment Law. This requirement may not be enforceable under North Dakota law.

The Franchise Agreement states that franchisee must consent to the jurisdiction of courts located outside the State of North Dakota. This requirement may not be enforceable under North Dakota law.

The Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. To the extent this requirement conflicts with North Dakota law, North Dakota law will apply.

Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by Franchisor in enforcing the agreement. For North Dakota franchisees, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees.

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

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**“Franchisor”**

**Ifrich Integrated Solutions, Inc.**

In the Presence of:

\_\_\_\_\_

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

**“Franchisee”**

In the Presence of:

\_\_\_\_\_

\_\_\_\_\_

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

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

**RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT**

To the extent the Rhode Island Franchise Investment Act, R.I. Gen. Law ch. 395 §§19-28.1-1 – 19-28.1-34 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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.”

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**“Franchisor”**

**Ilfrich Integrated Solutions, Inc.**

In the Presence of:

\_\_\_\_\_

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

In the Presence of:

**“Franchisee”**

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

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

**SOUTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT**

To the extent the South Dakota Franchise Investment Act, S.D. Codified Laws §§37-5B-53 – 37-5B-53 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Payment of the initial franchise fee is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**“Franchisor”**

**Ifrich Integrated Solutions, Inc.**

In the Presence of:

\_\_\_\_\_

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

**“Franchisee”**

In the Presence of:

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

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

## VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

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

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

“According 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 ground 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.”

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

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

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**“Franchisor”**

**Ilfrich Integrated Solutions, Inc.**

In the Presence of:

\_\_\_\_\_

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

In the Presence of:

**“Franchisee”**

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

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

## WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT, AND RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

**1. Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, ~~Chapter~~chapter 19.100 RCW will prevail.

**2. Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement ~~in~~or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions ~~which may that~~ supersede the franchise agreement ~~in~~or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including ~~the areas of termination and renewal of your franchise~~those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

**4. General Release.** A release or waiver of rights ~~executed by a franchisee may not include rights~~in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any ~~rule~~rules or ~~order~~orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

**5. Statute of Limitations and Waiver of Jury Trial.** Provisions ~~such as those which~~contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

**6. Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer. ~~RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any~~

~~employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.~~

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

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

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

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

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

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

“Franchisor”

In the Presence of:

**Ifrich Integrated Solutions, Inc.**

\_\_\_\_\_

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

In the Presence of:

“Franchisee”

\_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

\_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

## PERSONAL GUARANTY

**THIS PERSONAL GUARANTY** (this “Personal Guaranty”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Ilfrich Integrated Solutions, Inc., a Wisconsin corporation (the “Franchisor”), and the undersigned personal guarantors (the “Personal Guarantors”).

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

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

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

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

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

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

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

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

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

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

**PERSONAL GUARANTORS**

Signed by: \_\_\_\_\_, Individually

Signed by: \_\_\_\_\_, Individually

Address

Address

City, State and Zip Code

City, State and Zip Code

Area Code and Telephone

Area Code and Telephone

Signed by: \_\_\_\_\_, Individually

Signed by: \_\_\_\_\_, Individually

Address

Address

City, State and Zip Code

City, State and Zip Code

Area Code and Telephone

Area Code and Telephone

Signed by: \_\_\_\_\_, Individually

Signed by: \_\_\_\_\_, Individually

Address

Address

City, State and Zip Code

City, State and Zip Code

Area Code and Telephone

Area Code and Telephone

## TELEPHONE LISTING AGREEMENT

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Ilfrich Integrated Solutions, Inc. (the “Franchisor”), and \_\_\_\_\_ (the “Franchisee”).

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

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

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

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

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

directory listings under the “Garage Force®” name and to authorize the telephone company and all listing agencies to transfer to the Franchisor or its assignee all telephone numbers and directory listings of the Franchisee’s Garage Force Business.

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

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

**“Franchisor”**

In the Presence of:

**Ilfrich Integrated Solutions, Inc.**

\_\_\_\_\_

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

In the Presence of:

**“Franchisee”**

\_\_\_\_\_

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

\_\_\_\_\_

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



## CONFIDENTIALITY AGREEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EMPLOYEE:

\_\_\_\_\_

EMPLOYER:

\_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

**Ilfrich Integrated Solutions, Inc.**

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT C

LIST OF CURRENT AND FORMER FRANCHISEES

## List of Current Franchisees

The names, addresses and telephone numbers for the franchised Garage Force Businesses as of December 31, ~~2023~~2024, are disclosed below:

### ALABAMA

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

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

### ARIZONA

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

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

Dave Carlson (3)  
39506 N Daisy Mountain Dr 122606  
Phoenix, AZ 85086  
808.371.5570

Nicholas Boesen & William Iverson (2)  
3631 w Del Rio St.  
Chandler, AZ 85226

### CALIFORNIA

Camron Isaacson (2)  
5463 Staples Way  
Linden, CA 95236  
(209) 481-7682

Sarkis Benjamin  
2560 Acapulco Way  
Modesto, Ca 95355  
209-595-0037

Juliane Crouner (2)  
45 S Arroyo Pkwy #1007  
Pasadena, CA 91105  
214-478-1033

Ryan Vickland  
PO Box 493250  
Redding, CA 96049

Nathan May  
2404 Alpine Meadow Ct  
Wasco, CA 93280  
661-292-0290

### COLORADO

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

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

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

## CONNECTICUT

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

## FLORIDA

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

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

[Tonya Smith \(2\)](#)  
[1704 Campus St.](#)  
[Jacksonville, FL 32256](#)  
[\(973\) 819-5036](#)

[Paul Baker](#)  
[1402 Park Dr.](#)  
[Leesburg FL 34748](#)  
[\(570\) 236-2299](#)

[David Kowalchuk \(2\)](#)  
[2158 Whitney Marsh Aly](#)  
[Orlando, FL 32804](#)  
[\(407\) 383-8846](#)

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

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

~~Lee Panitz (2)~~  
~~3736 Constancia Dr.~~  
~~Green Grove Springs, FL 32043~~  
~~(904) 838-4723~~

~~Thomas Reichert~~[David Vanis](#)  
~~467 Winwood Ct~~  
[6121 Pheasant Ridge Dr.](#)  
[Port Charlotte](#)~~Orange, FL~~[33954, 3212](#)  
~~(941) 763-4905~~  
[\(386\) 871 - 4442](#)

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

~~20242025~~ Garage Force FDD  
~~63516008v8~~

[80075726v2](#)

## GEORGIA

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

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

Ryan Nicol (2)  
995 Freehome Road  
Canton, GA 30115  
(470) 898-2217  
Franco Devivo  
3390 Sewell Mill Road  
Marietta, GA 30062  
678-756-8909

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

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

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

## IDAHO

Dave Gurney  
477 W Dreyfuss St  
Meridian, ID 83646  
(208) 872-8950

James & Mary Peterson (2)  
1743 Castelli Drive  
Ammon, ID 83401  
(208) 782-6444

## ILLINOIS

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

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

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

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

Harrison Crown (2)  
1972 Water Chase Dr.  
New Lenox, IL 60451  
(312) 877-4527

## INDIANA

Chuck Ducastle / Jaime Smith  
2032 W Robin Way  
Columbus, IN 47201  
(937) 626-0202

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

Brina Maschino (2)  
946 Nicholas Ln

Troy Mann (2)  
19005 Wilson Dr.  
Goshen, IN 46528

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Ellettsville, IN 47429  
(812)216-0347

[\(574\) 361-8303](tel:(574)361-8303)

Aaron Reed (2)  
10467 Echo Way  
Noblesville, IN 46060  
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## **IOWA**

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Neil Schatz  
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(319) 504-1585

Todd Miller (2) (Spirit Lake, IA)  
S1153 State Road 37  
Alma, WI 54610  
715-598-2561

## **KANSAS**

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

## **KENTUCKY**

David Haberman  
385 Ellis Cole Road  
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(614) 419-0464

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

[Bob Miller](#)  
[511 Will Parkway](#)  
[Versailles, KY 40383](#)  
[\(859\) 221-3551](tel:(859)221-3551)

## **LOUISIANA**

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

## **MASSACHUSETTS**

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63516008v8

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[Myles Lane \(3\)](#)  
[11 Summit Avenue](#)  
[Melrose, MA 02176](#)  
[\(781\) 424-9588](#)

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

[Christina Collard \(2\)](#)  
[240 Pleasantdale Road](#)  
[Rutland, MA 01543](#)  
[508-397-2618](#)

### MICHIGAN

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15109 Addington Dr.  
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(866) 685-5211

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

### MINNESOTA

[Scott Peek](#)  
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[\(701\) 367-0887](#)

Nick and Todd Miller (5)  
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Norwood Young America,  
MN 55368  
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[Scott Peck](#)  
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Rochester, MN 55902  
[\(507\) 398-6051](#)

Karl Hackman (Winona, MN)  
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### MISSOURI

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1702 Bay Court  
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Robin Brown  
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### MONTANA

Joe McCullough (2)  
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Billings, MT 59101  
[\(406\) 860-8406](#)

### NEBRASKA

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6100 Sunrise Rd.  
Lincoln, NE 68510

Perry Shatz / Kevin Butcher  
13353 A. Street  
Omaha, NE 68144

[20242025](#) Garage Force FDD  
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[80075726v2](#)

(402) 975-

402-802-5165

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20 Trafalgar Square, Suite 476  
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**NEVADA**

~~Wayne Gwyn~~  
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~~Elko, NV 89801~~  
~~(254) 644-9940~~

**NEW JERSEY**

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Lambertville, NJ, 08530  
609-433-0780

Slava Sverdolv (2)  
6 Westgate Road  
Livingston, NJ 07039  
(617) 642-5094

**NEW MEXICO**

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Albuquerque, NM 87102

**NEW YORK**

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9506 Coryland RD  
Gillett, PA 16925  
(607) 331-7254

Jeffrey & Allison La Point (2)  
7 Old Pond Road  
Rochester, NY 14625  
(585) 314-6143

Mill Kumar  
590 Midland Ave  
Staten Island, NY 10306  
(929) 441-0583

**NORTH CAROLINA**

Rich Reagan (3)  
35 Drake Drive  
Benson, NC 27504  
(919) 909-0392

William Parra  
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Charlotte, NC 28027  
(704) 350-5814

Vicki Wisnewski (3)

Shenard ~~& Donneka~~ Byrd

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~~63516008v8~~

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[6251 Phillippi Road](#)  
[Julian, NC 27283](#)  
[\(336\) 814-2212](#)

4216 Crump Hill Ct  
Mint Hill, NC 28227  
(980) 295-8552

[Ken Clark \(2\)](#)  
[211 Woodside Drive](#)  
[Morganton, NC 28655](#)  
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## **NORTH DAKOTA**

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## **OHIO**

Garage Force of Dayton  
Johnny Brady  
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(614) 397-3168

Ritessh Sen  
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## **OKLAHOMA**

Jimbo Taylor (5)  
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Edmond, OK 73013  
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(918) 995-1145

## **PENNSYLVANIA**

Chris McGinnis  
277 Finnin Rd  
New Kensington, PA 15068  
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## **SOUTH CAROLINA**

~~Doug Lerczak (2)~~  
~~5177 Colorado Avenue~~  
~~Camp Lejeune, NC 28547~~  
~~(877) 367-2317~~

Joe ~~Kohler~~Olson (2)  
~~6277~~  
[4335 Hope Plantation Drive](#)  
[Johns Island, South Carolina Commons Dr. 29455](#)  
~~Indian Land, SC 29707~~

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Joe ~~Olson (2)~~ [Kohler](#)  
~~4335 Hope Plantation Drive~~  
~~Johns Island, South~~  
~~6277 Carolina 29455 Commons Dr.~~  
~~608-386-8953~~  
[Indian Land, SC 29707](#)  
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Kevin Gillen  
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Taylors, SC 29687  
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[Bill Hunter \(2\)](#)  
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## **SOUTH DAKOTA**

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27036 Revilo Place  
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[Blake Reistroffer](#)  
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[Brody Moreland \(4\)](#)  
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## **TEXAS**

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(210) 997-9994

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(915) 757-1982

~~Alejandro Procter~~  
~~10088 Alcan St~~  
~~El Paso, TX 79924~~  
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~~13968 Alden Ln.~~  
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Daniel Schultz (2)

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~~Liberty Hill, TX 78642~~  
~~(253) 341-7445~~  
5920 14-1/2  
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(512) 704-5891  
Dennis Stewart

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~~(512) 704-5891~~

~~Robert Jackson~~  
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~~(432) 889-4862~~

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Spencer Gage  
(2)  
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20242025 Garage Force FDD  
63516008v8

80075726v2

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#### UTAH

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~~Sione Lomu~~  
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#### VIRGINIA

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Adam Standard (2)  
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Justin Gwit (2)  
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#### WASHINGTON

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#### WISCONSIN

Tim Schaldach (2)  
Cashton, WI 54619

Doug Thomas  
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(608) 633-0155

Green Bay, WI 54304  
(920) 621-2704

~~Karl Haekman~~ David Muehlius (2)  
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W151S7544 Woods Rd  
Muskego, WI 53150  
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Garage Force Int.  
700 Stonebridge Ave.  
Onalaska, WI 54650  
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Todd Miller (45)  
Wausau, WI 54403  
(715) 204-9297

## **FRANCHISEES THAT HAVE LEFT THE SYSTEM**

Except as set forth below, no Garage Force franchisees had their franchises terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business during the Franchisor's most recent fiscal year, and no Garage Force franchisee has failed to communicate with the Franchisor during the ten-week period preceding the date of this Disclosure Document.

## **FRANCHISEES THAT CEASED OPERATIONS**

~~David and DeAnn Reed (2)~~  
~~1720 Holly Way~~

Jason Tapia (2)  
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Peoria, AZ 85381  
(602) 316-2918

Francis Blanford  
3000 NE 16<sup>th</sup> Ave. Apt. 105  
~~Fort Collins, CO 80526~~ Lauderdale, FL 33301  
~~(970) 829-1855~~

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

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

~~2024~~ 2025 Garage Force FDD  
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~~Craig Ricketts (2)~~  
~~1275 Springer Ct~~  
~~Reno, NV 89511~~  
~~(775) 722-9064~~

~~Lindsay Griner~~  
~~(954) 496-0027~~

~~Lee Panitz (2)~~  
~~3736 Constancia Dr.~~  
~~Green Grove Springs, FL 32043~~  
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~~Philip Denton~~  
~~6568 S Federal Way #390~~  
~~Boise, ID 83716~~  
~~Phone: (208) 872-8950~~

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

~~Wayne Gwyn~~  
~~2715 Morning Breeze Dr.~~  
~~Elko, NV 89801~~  
~~(254) 644-9940~~

~~Doug Lerczak (2 South Carolina)~~  
~~5177 Colorado Avenue~~  
~~Camp Lejeune, NC 28547~~  
~~(877)367-2317~~

~~Jamahl Labbe (2)~~  
~~141 Double Mountain Road~~  
~~Liberty Hill, TX 78642~~  
~~(253) 341-7445~~

~~Steve Woldroop (3)~~  
~~920 Fairway Ranch Parkway~~  
~~Roanoke, TX 76262~~  
~~(817) 888-8474~~

~~Sione Lomu~~  
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~~Herriman ~~Utah,~~ UT 84096~~

~~(801)367-8802~~

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~~Johnny Smith~~  
~~17646 Main Street~~  
~~Dumfries, VA 22026~~  
~~(571) 288-1350~~ [801\) 367-8802](tel:367-8802)

## **FRANCHISEES WHO HAVE LEFT THE SYSTEM BY TRANSFER**

~~Neil Schatz~~  
~~641 South 212<sup>th</sup> St.~~  
~~Elkhorn, NE 68022~~  
~~(402) 739-9008~~

~~Robert Jackson (2)~~  
~~1231 Smoky Loop RD~~  
~~New Braunfels, TX 78132~~  
~~(432) 889-4862~~

~~Chad Glumske (2)~~  
~~1502 Viking Avenue~~  
~~Holmen, WI 54636~~ ~~(608) 397-9277~~  
[Jeff Gentry](#)  
[115 Irving Hills Dr](#)  
[Lascassas, TN 37085](#)  
[\(615\) 351-7318](tel:615-351-7318)

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**Ifrich Integrated Solutions, Inc.**

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D

SAMPLE RELEASE

**Iffrich Integrated Solutions, Inc.**

**SAMPLE RELEASE**

Unless precluded by applicable state law, if you sell, assign or transfer your Franchise Agreement to a third party, you will sign a joint and mutual release containing language substantially similar to the following:

This Joint and Mutual Release is made, entered into and effective this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Iffrich Integrated Solutions, Inc. (the “Franchisor”) and \_\_\_\_\_ (the “Franchisee”).

The Franchisee entered into a Franchise Agreement, dated \_\_\_\_\_, 20\_\_\_\_, with the Franchisor (the “Agreement”) authorizing the Franchisee to open and operate a franchised Garage Force® Business in the following described Franchised Territory: \_\_\_\_\_

The Franchisee desires to transfer, sell and assign the Franchise Agreement to a third party (the “Assignee”).

The Franchisor has agreed to consent to the transfer, sale and assignment of the Franchise Agreement by the Franchisee to the Assignee, a condition of which is the execution of the following joint and mutual release by the Franchisor and the Franchisee:

1. Release of Franchisor by Franchisee. For and in consideration of the execution of this Joint and Mutual Release and the consent by the Franchisor to the assignment of the Franchise Agreement to the Assignee, the Franchisee and its affiliates hereby release and forever discharge the Franchisor and its current and former affiliates from any and all claims which the Franchisee and its affiliates have had or now have or may in the future have against the Franchisor and its current and former affiliates or any of them, for, upon or by reason of any matter, fact or thing whatsoever from the beginning of time through and including the date of this Joint and Mutual Release including, but not limited to, any alleged violations of the Federal Trade Commission’s Trade Regulation Rule relating to Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures, “mini” FTC laws, deceptive or unfair trade practices laws, franchise laws or securities laws, and all other local, municipal, state, federal or other laws, statutes, rules or regulations, and any alleged breaches or violations of the Franchise Agreement and/or any other agreements between the Franchisee and its affiliates and any of them, and the Franchisor and its affiliates and any of them; provided, however, that this provision will not apply to any claims specifically excluded by terms of this Joint and Mutual Release.

2. Release of Franchisee by Franchisor. For and in consideration of the execution of this Joint and Mutual Release and the consent by the Franchisor to the assignment of the Franchise Agreement to the Assignee, the Franchisor and its affiliates hereby release and forever discharge the Franchisee and its affiliates from any and all claims which the Franchisor and its affiliates have had or now have against the Franchisee and its affiliates for, upon or by reason of any matter, fact or thing whatsoever from the beginning of time through, up to and including the date of this Joint and Mutual Release including, but not limited to, any local, municipal, state, federal or other laws, statutes, rules or regulations, and any alleged violations of the Franchise Agreement, and/or any other agreements between the Franchisee and its affiliates and any of them, and the Franchisor and its affiliates and any of them; provided, however, that this provision will not apply to any claims specifically excluded by terms of this Joint and Mutual Release.

[The following language is included only if the Washington Franchise Investment Protection Act applies: The general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.]

“Franchisee”

\_\_\_\_\_

By \_\_\_\_\_

–

Its \_\_\_\_\_

“Franchisor”

**Ilfrich Integrated Solutions, Inc.**

By \_\_\_\_\_

Its \_\_\_\_\_

The above language may be modified or supplemented to address issues specific to the transfer of your Franchise Agreement to a third party, or to comply with applicable law (see the Addendum to the Franchise Disclosure Document).

**Ilfrich Integrated Solutions, Inc.**

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT E

FRANCHISEE QUESTIONNAIRE

**FRANCHISEE QUESTIONNAIRE**

Do not sign this Questionnaire if you are a resident of Maryland or the business is to be operated in Maryland.

Do not sign this Questionnaire if you are a resident of Washington or the business is to be operated in Washington.

As you know, Ilfrich Integrated Solutions, Inc. (the “Franchisor”) and you are preparing to enter into a Franchise Agreement for the operation of a franchised Garage Force® Business (the “Franchise”). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest responses to each question.

QUESTION	YES	NO
1. Have you received and personally reviewed the Franchisor’s Franchise Disclosure Document (the “Disclosure Document”) provided to you?		
2. Did you sign a receipt for the Disclosure Document indicating the date you received it?		
3. Do you understand all of the information contained in the Disclosure Document?		
4. Have you received and personally reviewed the Franchise Agreement and each exhibit or schedule attached to it?		
5. Please insert the date on which you received a copy of the Franchise Agreement with all material blanks fully completed: _____		
6. Do you understand the terms of and your obligations under the Franchise Agreement?		
7. Have you discussed the benefits and risks of operating the Franchise with an attorney, accountant or other professional advisor?		
8. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise that is contrary to, or different from, the information contained in the Disclosure Document or Franchise Agreement?		

If you answered “Yes” to question eight (8), please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered “No” to question eight (8), please leave the following lines blank.

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You understand that your answers are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration Disclosure Law.

\_\_\_\_\_  
**FRANCHISE APPLICANT**

\_\_\_\_\_  
**FRANCHISE APPLICANT**

Dated: \_\_\_\_\_, 20\_\_

Dated: \_\_\_\_\_, 20\_\_

**Ifrich Integrated Solutions, Inc.**  
FRANCHISE DISCLOSURE DOCUMENT  
EXHIBIT F  
STATE AGENCY EXHIBIT

**STATE ADMINISTRATORS AND  
AGENTS FOR SERVICE OF PROCESS**

<b>STATE</b>	<b>STATE ADMINISTRATOR/AGENT</b>	<b>ADDRESS</b>
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1 <sup>st</sup> Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21st Floor New York, NY 10005 212-416-8236
New York (Agent)	Attention: New York Secretary of State New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fourteenth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

**Ifrich Integrated Solutions, Inc.**

FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES & RECEIPTS

## State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	<del>October 1, 2024</del> <a href="#">Pending</a>
Illinois	<del>June 4, 2024</del> <a href="#">Pending</a>
Indiana	<del>May 17, 2024</del> <a href="#">Pending</a>
Maryland	<del>October 21, 2024</del> <a href="#">Pending</a>
Michigan	<del>May 15, 2024</del> <a href="#">Pending</a>
Minnesota	<del>June 28, 2024</del> <a href="#">Pending</a>
New York	<del>July 17, 2024</del> <a href="#">Pending</a>
North Dakota	<del>June 27, 2024</del> <a href="#">Pending</a>
Rhode Island	<del>May 18, 2024</del> <a href="#">Pending</a>
South Dakota	<del>May 17, 2024</del> <a href="#">Pending</a>
Virginia	<del>June 13, 2024</del> <a href="#">Pending</a>
Washington	<del>August 26, 2024</del> <a href="#">Pending</a>
Wisconsin	<del>May 17, 2024</del> <a href="#">Pending</a>

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**RECEIPT**

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Ilfrich Integrated Solutions, Inc. offers you a franchise, it must provide this Disclosure Document to you at least 14 calendar days before you sign a binding agreement with, or make a payment to, Ilfrich Integrated Solutions, Inc. or an affiliate in connection with the proposed franchise sale.

Iowa and New York require that Ilfrich Integrated Solutions, Inc. give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the Franchise Agreement or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Ilfrich Integrated Solutions, Inc. give you this Disclosure Document at least 10 business days before the execution of any binding Franchise Agreement or other agreement or the payment of any consideration, whichever occurs first.

If Ilfrich Integrated Solutions, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in the State Agency Exhibit.

Issuance Date: May ~~15~~3, ~~2024~~2025

The franchise seller(s) for this offering is/are: Michael Peterson (608) 209-1507 and/or Tim Trailer (855) 436-7230, 700 Stonebridge Avenue, Onalaska, Wisconsin 54650,

Ilfrich Integrated Solutions, Inc. authorizes the respective state agencies identified in the State Agency Exhibit to receive service of process for it in the particular state.

I received this Disclosure Document, dated May ~~15~~3, ~~2024~~2025, that included the following exhibits:

- Addendum to Disclosure Document for State-Specific Modifications
- Exhibit A - Financial Statements
- Exhibit B - Franchise Agreement, including State Addenda
- Exhibit C - List of Current and Former Franchisees
- Exhibit D - Sample Release
- Exhibit E - Franchisee Questionnaire
- Exhibit F - State Agency Exhibit

Signed: _____	Signed: _____
Print Name: _____	Print Name: _____
Address: _____	Address: _____
City/State/Zip _____	City/State/Zip _____
:	:
Telephone: _____	Telephone: _____
Dated: _____	Dated: _____

Copy To:  
**Ilfrich Integrated Solutions, Inc.**  
700 Stonebridge Avenue

Onalaska, WI 54650

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Signed: _____	Signed: _____
Print Name: _____	Print Name: _____
Address: _____	Address: _____
City/State/Zip _____	City/State/Zip _____
:	:
Telephone: _____	Telephone: _____
Dated: _____	Dated: _____

Copy To:  
**Franchisee**