



FRANCHISE DISCLOSURE DOCUMENT

Sir Grout Franchising, LLC
a Delaware limited liability company
17700 Saint Clair Avenue
Cleveland, Ohio 44110
Tel: (888) 453-9730
www.sirgrout.com

The franchise offered is for the operation of a Sir Grout® business, specializing in providing distinctive grout and tile cleaning, sealing, caulking and restoration services as well as other services, including but not limited to slip resistant product application, stone restoration services and coating for tile, grout, stone, concrete and metal designed to enhance and protect a business or home's health and appearance.

The initial investment required for a Sir Grout® business ranges between \$127,375 and \$197,720. This includes between \$71,724 and \$75,099 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Donna Davidson at (617) 765-0926, info@sirgrout.com or at 17700 Saint Clair Avenue, Cleveland, Ohio 44110.

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

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

**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, according to the Michigan Department of Attorney General, Consumer Protection Division (the "Division"), the provisions are void and cannot be enforced against you:~~

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

- ~~(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.~~
- ~~(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.~~
- ~~(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.~~
- ~~(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.~~
- ~~(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (e) above.~~
- ~~(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.~~

~~**The fact that there is a notice of this offering on file with the Attorney General of Michigan does not constitute approval, recommendation, or endorsement by the attorney general.**~~

~~Any questions regarding this notice should be directed to:~~

~~Franchise Administrator
Antitrust and Franchise Unit
Michigan Department of Attorney General
525 W. Ottawa St
G. Mennen Williams Building
Lansing, Michigan 48913
(517) 373-7117~~

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
ITEM 1. THE FRANCHISOR, ANY PARENTS, PREDECESSORS AND AFFILIATES.....	1
ITEM 2. BUSINESS EXPERIENCE.....	6
ITEM 3. LITIGATION.....	9
ITEM 4. BANKRUPTCY.....	9
ITEM 5. INITIAL FEES.....	9
ITEM 6. OTHER FEES.....	11
ITEM 7. ESTIMATED INITIAL INVESTMENT YOUR ESTIMATED INITIAL INVESTMENT.....	16
ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	19
ITEM 9. FRANCHISEE’S OBLIGATIONS.....	23
ITEM 10. FINANCING.....	24
ITEM 11. FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING.....	25
ITEM 12. TERRITORY.....	33
ITEM 13. TRADEMARKS.....	34
ITEM 14. PATENTS COPYRIGHTS AND PROPRIETARY INFORMATION.....	36
ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	37
ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	37
ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	38
ITEM 18. PUBLIC FIGURES.....	44 43
ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS.....	44
ITEM 20. OUTLETS AND FRANCHISEE INFORMATION.....	51
ITEM 21. FINANCIAL STATEMENTS.....	56 55
ITEM 22. CONTRACTS.....	56 55
ITEM 23. RECEIPTS.....	56

ADDENDUM TO SIR-GROUT FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATES OF
CONNECTICUT, GEORGIA, LOUISIANA,
MAINE, NORTH CAROLINA AND SOUTH CAROLINA

~~Notwithstanding anything to the contrary set forth in the SIR-GROUT FRANCHISING, LLC Franchise Disclosure Document, the following provision shall supersede and apply to all Sir Grout franchises offered and sold in the states of Connecticut, Georgia, Louisiana, Maine, North Carolina and South Carolina:~~

~~If you are a new franchisee seeking to participate in the Franchise Option Program disclosed in Item 5 the refund of the Initial Franchise Fee will not apply to you if you reside in or are domiciled in, or your Franchised Business is located wholly or partly in, any of Connecticut, Georgia, Louisiana, Maine, North Carolina or South Carolina. However, you may otherwise participate in the Franchise Option Program and receive the same benefits as an existing franchisee under the program.~~

ADDENDUM TO SIR-GROUT FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF CALIFORNIA

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

~~A. 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.~~

~~B. No person in item 2 of the FDD 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.~~

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

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

~~E. The Franchise Agreement contains covenants not to compete which extend beyond the expiration or termination of the agreement. These provisions may not be enforceable under California law.~~

~~F. Section 31125 of the California Corporation Code requires Sir Grout Franchising, LLC 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.~~

~~G. If the Franchise Agreement contains a liquidated damages clause, under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.~~

~~H. Our website (www.sirgrout.com) has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection at www.dfpi.ca.gov.~~

~~I. The Franchise Agreement requires the application of the laws of Ohio. This provision may be unenforceable under California law.~~

~~J. You must sign a General Release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). California Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).~~

~~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.~~

~~Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the California Franchise Investment Law, with respect to each such provision, are met independent of the Addendum. The Addendum shall have no force or effect if such jurisdictional requirements are not met.~~

~~AMENDMENT TO SIR GROUT FRANCHISING, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA~~

~~In recognition of the California Franchise Investment Law, Cal. Bus. & Prof. Code § 31000 et seq., and the California Franchise Relations Act, Cal. Corp. Code § 20000 et seq., the parties to the attached Franchise Agreement (the “Agreement”) agree as follows:~~

~~1. — A new Sub Section 9.1 (i) of the Agreement, under the sub heading “Application of Covenants in California” shall be added as follows:~~

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

~~2. — Sub Section 10.3 (a) (ix) of the Agreement, under the heading “Conditions of Approval by Franchisee” shall be deleted in its entirety and shall have no force of effect, and the following shall be substituted in lieu thereof:~~

~~You shall execute a general release, in a form satisfactory to us, of any and all claims against us and our officers, directors, shareholders and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. California Corporations Code § 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§ 3100 through 31516). Business and Professions Code § 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§ 20000 Through 20043).~~

~~3. — A new Sub Section 14.9 of the Agreement, under the sub heading “Termination in California” shall be added as follows:~~

~~To the extent that the provision of this Section 14 regarding termination are inconsistent with the requirements of the California Franchise Relations Act, the termination provisions are superseded by the Act’s requirements and shall have no force or effect.~~

~~4. — No statement, questionnaire, or acknowledgment signed or agreed to by 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 the 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.~~

~~5. — The following language is hereby deleted from Section 20.1 of the Franchise Agreement, titled “Integration of Agreement”:~~

~~“Franchisee acknowledges that it is entering into this Agreement and all ancillary agreements executed contemporaneously with this Agreement, as a result of its own independent investigation of the Franchised Business and not as a result of any representations about Franchisor made by Franchisor’s shareholders, officers, directors, employees, agents, representatives, independent contractors or franchisees which are contrary to the terms set forth in this Agreement or of any offering circular, prospectus, disclosure document or other similar document required or permitted to be given to Franchisee pursuant to applicable law.”~~

6. ~~Section 20.2 of the Franchise Agreement, titled “No Oral Modification” is deleted in its entirety and replaced with the following:~~

~~“This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties.”~~

~~IN WITNESS WHEREOF, the parties have duly executed this Amendment to the Franchise Agreement on the _____ day of _____, 20____.~~

~~**FRANCHISOR:** _____ **FRANCHISEE:** _____~~

~~Sir Grout Franchising, LLC _____~~

~~By: _____ By: _____
Its: _____ Its: _____~~

ADDENDUM TO SIR-GROUT FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF HAWAII

1. ~~Sir Grout Franchising, LLC is currently registered to sell franchises (or exempt from franchise registration) in the states of: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.~~

2. ~~The states in which the Sir Grout Franchise Disclosure Document is or will be shortly on file (or exempt from franchise registration): California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.~~

3. ~~No state has refused, by order or otherwise, to register the Sir Grout franchise.~~

4. ~~No state has revoked or suspended the right to offer Sir Grout franchises.~~

5. ~~Sir Grout Franchising, LLC has not withdrawn the proposed registration of the Sir Grout Franchise Disclosure Document in any state.~~

~~6. The state cover page of the Sir Grout Franchise Disclosure Document is amended to include the following:~~

~~THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.~~

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

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

~~AMENDMENT TO SIR GROUT FRANCHISING, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF HAWAII~~

~~In recognition of the Hawaii Franchise Investment Law, the parties to the attached Sir Grout Franchising, LLC Franchise Agreement (the "Franchise Agreement") agree as follows:~~

~~1. 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 parties have duly executed this Amendment to the Franchise Agreement on the _____ day of _____, 20__.~~

~~**FRANCHISOR:** _____ **FRANCHISEE:**~~

~~Sir Grout Franchising, LLC _____~~

~~By: _____ By: _____
Its: _____ Its: _____~~

ADDENDUM TO SIR-GROUT FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF ILLINOIS

~~In recognition of the Illinois Franchise Disclosure Act of 1987, Illinois Compiled Statutes 1992, Chapter 818, Sections 704/1 through 705/44, the Franchise Disclosure Document for Sir Grout Franchising, LLC for the offer of Sir Grout Franchises for operation in the State of Illinois shall be amended to include the following:~~

~~Illinois law governs the agreements between the parties to this franchise.~~

~~Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.~~

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

~~Your rights upon termination and non-renewal of a franchise agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.~~

~~No statement, questionnaire, or acknowledgment signed or agreed to by 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 the 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.~~

~~Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act of 1987 are met independently, without reference to this Addendum to the Franchise Disclosure Document.~~

~~AMENDMENT TO SIR GROUT FRANCHISING, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS~~

~~In recognition of the Illinois Franchise Disclosure Act of 1987, Illinois Compiled Statutes 1992, Chapter 818, Sections 704/1 through 705/44, the Franchise Disclosure Document for Sir Grout Franchising, LLC for the offer of Sir Grout Franchises for operation in the State of Illinois shall be amended to include the following:~~

~~Illinois law governs the agreements between the parties to this franchise.~~

~~Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.~~

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

~~Your rights upon termination and non-renewal of a franchise agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.~~

~~No statement, questionnaire, or acknowledgment signed or agreed to by 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 the 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 parties have duly executed this Amendment to the Franchise Agreement on the _____ day of _____, 20__.~~

~~**FRANCHISOR:** _____ **FRANCHISEE:** _____~~

~~Sir Grout Franchising, LLC _____~~

~~By: _____ By: _____~~

~~Its: _____ Its: _____~~

ADDENDUM TO SIR-GROUT FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF INDIANA

In recognition of the Indiana Franchise Law, Title 23, Article 2, Chapter 2.5 Sections 1 through 51, the Franchise Disclosure Document for Sir Grout Franchising, LLC offering franchises under the SIR-GROUT mark for operation in the State of Indiana shall be amended as follows:

1. Item 17(c), pertaining to requirements for you to renew or extend your Franchise Agreement, is hereby amended by adding the following paragraph:

~~Indiana State Code 23-2-2.7-1(5) deems it unlawful for you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve Franchisor from liability imposed by Indiana State Code 23-2-2.7.~~

2. Item 17(m), pertaining to requirements for approval of transfer, is hereby amended by adding the following:

~~Indiana State Code 23-2-2.7-1(5) deems it unlawful for you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve Franchisor from liability imposed by Indiana State Code 23-2-2.7.~~

3. Item 17(r), pertaining to the post-termination non-competition covenants, is hereby amended by adding the following paragraph:

~~The post-termination covenant not to compete complies with Indiana State Code 23-2-2.7-1(9) which prohibits Franchisor from prohibiting you from competing for a period longer than 3 years or in an area greater than the territory contained in your agreement.~~

4. Item 17(t), pertaining to the integration/merger clause, is hereby amended by adding the following paragraph:

~~Notwithstanding anything to the contrary contained in your agreement, you do not waive any right under the Indiana statutes with regard to prior representations made in the Indiana Franchise Disclosure Document.~~

5. Item 17(v), pertaining to the choice of forum, is hereby amended by adding the following paragraph:

~~Choice of forum in any jurisdiction other than Indiana is prohibited under IC 23-2-2.7-1(10). Franchisor may not require that you agree to participate in any form of alternative dispute resolution other than arbitration before an independent arbitrator.~~

6. Item 17(w), pertaining to the choice of law, is hereby amended by adding the

following paragraph:

~~The choice of Ohio law shall be subject to the superseding provisions in Indiana's Franchise Acts, IC 23-2-2.5 and 2.7.~~

~~AMENDMENT TO SIR GROUT FRANCHISING, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF INDIANA~~

~~In recognition of the requirements of the Indiana Franchise Law, Title 23, Article 2, Chapter 2.5 Sections 1 through 51, the parties to the attached Sir Grout Franchising, LLC Franchise Agreement (the “Agreement”) agree as follows:~~

~~1. The Indiana Securities Commissioner requires that certain provisions contained in the franchise documents offered or sold to either a resident of the State of Indiana or a non-resident who will be operating a franchise in the State of Indiana be amended to be consistent with Indiana law, including the Indiana Deceptive Franchise Practices Law, Indiana Code §§ 23-2-2.7-1 through 23-2-2.7-10, and the Indiana Franchise Disclosure Law, Indiana Code §§ 23-2-2.5-1 through 23-2-2.5-51 (collectively the “Act”). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended and superseded.~~

~~a. The Indiana Deceptive Franchise Practices Act provides rights to Franchisee concerning non-renewal and termination of this Agreement. To the extent the Agreement contains a provision that is inconsistent with the Act, the Act will control.~~

~~b. If the Franchisee is required in the Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate this Act, or a rule or order under the Act, such release shall exclude claims arising under the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, and such acknowledgments shall be void with respect to claims under the Acts.~~

~~c. If this Agreement contains covenants not to compete upon expiration or termination of the Agreement that are inconsistent with the Indiana Deceptive Franchise Practices Act, the requirements of the Act will control.~~

~~d. The Indiana Deceptive Franchise Practices Act provides that substantial modification of the Agreement by Franchisor requires written consent of the Franchisee. If the Agreement contains provisions that are inconsistent with this requirement, the Act will control.~~

~~e. If the Agreement requires litigation to be conducted in a forum other than the State of Indiana, the requirement may be unenforceable as a limitation on litigation under the Indiana Deceptive Franchise Practices Act.~~

~~f. If the Agreement requires that it be governed by a state’s law, other than the State of Indiana, to the extent that such law conflicts with the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, the Act will control.~~

~~2. Each provision of the Amendment shall be effective only to the extent that the jurisdictional requirements of the Indiana Deceptive Franchise Practices Act and the Indiana Franchises Act, relating to each such provision, are met independent of this Agreement. This Amendment shall have no force or effect if such jurisdictional requirements are not met.~~

~~IN WITNESS WHEREOF, the parties have duly executed this Amendment to the Franchise Agreement on the _____ day of _____, 20____.~~

~~**FRANCHISOR:** _____ **FRANCHISEE:**~~

~~Sir Grout Franchising, LLC _____~~

~~By: _____ By: _____
Its: _____ Its: _____~~

ADDENDUM TO SIR-GROUT FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND

In recognition of the ~~Maryland Franchise Registration and Disclosure Law, Md. Code Ann. Bus. Reg. §§ 14-201 to 14-233, the Franchise Disclosure Document for Sir Grout Franchising, LLC for the offer of Sir Grout franchises for operation in the State of Maryland shall be amended to include the following:~~

1. ~~Based upon the financial information submitted, the Commissioner has determined that all fees paid to the franchisor by the franchisee, including payments for goods and services received from the franchisor before the business opens, shall be deferred pending satisfaction of all of the franchisor's pre-opening obligations to the franchisee.~~

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

3. ~~Item 17 of the Disclosure Document is amended to reflect that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.~~

4. ~~Item 17 of the Disclosure Document is amended to state that you may sue in Maryland for any claims arising under the Maryland Franchise Registration and Disclosure Law.~~

5. ~~Item 17 of the Disclosure Document is amended to state that 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.)~~

6. ~~Item 17 of this Disclosure Document, in the summary columns of part (c) and (m), is amended to state that the general release required as a condition of renewal will not apply to any claim arising under the Maryland Franchise Registration and Disclosure Law.~~

7. ~~Item 17 of the Disclosure Document is amended to state that the franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its rights 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.~~

8. ~~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.~~

~~9. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum to the Franchise Disclosure Document.~~

AMENDMENT TO SIR GROUT FRANCHISING, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MARYLAND

In recognition of the ~~Maryland Franchise Registration and Disclosure Law, Md. Code Ann. Bus. Reg. §§ 14-201 to 14-233~~, the parties to the attached Sir Grout Franchising, LLC Franchise Agreement (the “Franchise Agreement”) agree as follows:

1. ~~Based upon the financial information submitted, the Commissioner has determined that all fees paid to the franchisor by the franchisee, including payments for goods and services received from the franchisor before the business opens, shall be deferred pending satisfaction of all of the franchisor’s pre-opening obligations to the franchisee.~~

2. ~~The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:~~
 - a. ~~The Franchise Agreement requires the Franchisee to execute a general release as a condition of renewal. The Franchise Agreement is amended to state that the general release required as a condition of renewal shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law. The general release required as a condition of renewal shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.~~

 - b. ~~The Franchise Agreement requires the Franchisee to execute a general release as a condition of assignment/transfer. The Franchise Agreement is amended to state that the general release required as a condition of assignment/transfer shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law. The general release required as a condition of assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.~~

 - c. ~~The Franchise Agreement requires the Franchisee to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law. The Franchise Agreement is amended to state that such acknowledgements shall be void with respect to claims under the Law and such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.~~

 - d. ~~The Franchise Agreement requires arbitration to be conducted in the State of Ohio. The Franchise Agreement is amended to state that the requirement for dispute resolution to be conducted in a forum other than the State of Maryland shall not be interpreted to limit any rights Franchisee may have to bring suit in the state of Maryland. A Franchisee may file an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.~~

~~e. The Franchise Agreement requires the Franchisee to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Law as a condition of the sale of a franchise. Maryland Franchise Registration and Disclosure Law prohibits a Franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. The Franchise Agreement is amended to state that such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.~~

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

~~3. The last two sentences of Section 20.2 of the Franchise Agreement, titled "No Oral Modification" are deleted in their entirety.~~

~~4. No statement, questionnaire, or acknowledgment signed or agreed to by 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 the 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.~~

~~5. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.~~

~~IN WITNESS WHEREOF, the parties have duly executed this Amendment to the Franchise Agreement on the _____ day of _____, 20____.~~

~~**FRANCHISOR:** _____ **FRANCHISEE:** _____~~

~~Sir Grout Franchising, LLC _____~~

~~By: _____ By: _____~~

~~Its: _____ Its: _____~~

ADDENDUM TO SIR-GROUT FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NEW YORK

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

~~INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR 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 THAT ANYTHING IN THE 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 CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.~~

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

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

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

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

~~C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or~~

~~securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.~~

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

~~3. The following is added to the end of Item 5:~~

~~The Initial Franchise Fee constitutes part of our general operating funds and will be used as such in our discretion.~~

~~4. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:~~

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

~~5. 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.~~

~~6. 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 upon the franchisee by Article 33 of the General Business Law of the State of New York.~~

~~7. 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.~~

~~8. 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.~~

~~THIS NEW YORK ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF NEW YORK OR LOCATE THEIR FRANCHISES IN NEW YORK.~~

ADDENDUM TO SIR-GROUT FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF NORTH DAKOTA

1. ~~The Summary column of Item 17 paragraph (c) of this Disclosure Document is modified to read as follows:~~

~~Give us at least 90 days' notice of your intention to renew, sign our current form of franchise agreement and ancillary agreements, sign a release (except for matters coming under the North Dakota Franchise Investment Law (the "North Dakota Law").~~

2. ~~The Summary column of Item 17 Paragraph (r) of this Disclosure Document is modified by adding the following at the end of the sentence:~~

~~Any requirement that you must consent to termination or liquidated damages may not be enforceable under North Dakota Franchise Investment Law.~~

3. ~~The Summary column of Item 17 Paragraph (r) of this Disclosure Document is modified by adding the following at the end of the sentence:~~

~~Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.~~

4. ~~The Summary column of Item 17 paragraph (u) of this Disclosure Document is amended by adding the following at the end of the paragraph:~~

~~except that matters coming under the North Dakota Law will be submitted to arbitration in a mutually agreeable location.~~

5. ~~The Summary column of Item 17 paragraph (v) of this Disclosure Document is amended to read as follows:~~

~~Except for matters coming under the North Dakota Law, litigation and arbitration must be in Ohio.~~

~~6. The Summary column of Item 17 paragraph (w) of this Disclosure Document is amended to read as follows:~~

~~The law of North Dakota governs.~~

~~7. The North Dakota Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):~~

~~Waiver of Exemplary & Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages;~~

~~General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement; and~~

~~Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.~~

~~8. 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.~~

AMENDMENT TO SIR-GROUT FRANCHISING, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NORTH DAKOTA

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code §§ 51-19-01 through 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the parties to the attached Sir Grout Franchising, LLC Franchise Agreement (the “Agreement”) agree as follows:

1. — ~~**Precedence and Defined Terms.** This Amendment is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Amendment supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Amendment have the meanings as defined in the Agreement.~~

2. — ~~**Grant of Successor Franchise.** You are not required to sign a general release as to any matters coming under the North Dakota Franchise Investment Law (the “North Dakota Law”).~~

3. — ~~**Post Term Competitive Restrictions.** Post-effective covenants not to compete, such as those mentioned in Section 9, are generally unenforceable in the State of North Dakota.~~

4. — ~~**Jurisdiction.** All matters coming under the North Dakota Law may be brought in the courts of North Dakota.~~

5. — ~~**Waiver of Punitive Damages.** Sub-section 23.5 of the Agreement is deleted in its entirety.~~

6. — ~~**Limitation of Claims.** The statute of limitations under North Dakota Law applies to all matters coming under North Dakota Law.~~

7. — ~~**Governing Law.** This Agreement will be governed by North Dakota Law.~~

8. — ~~**Waiver of Jury Trial.** Sub-section 23.6 of the Agreement is deleted in its entirety.~~

9. — ~~**Arbitration.** All matters being arbitrated under North Dakota Law may be brought in a location agreeable to both the Franchisor and the Franchisee.~~

~~10. **Liquidated Damages.** Franchisee's consent to termination or liquidated damages is generally unenforceable under North Dakota Law.~~

~~11. **General Release.** Franchisee's consent to a general release is generally unenforceable under North Dakota Law.~~

~~12. **Waiver.** 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 parties have duly executed this Amendment to the Franchise Agreement on the _____ day of _____, 20____.~~

~~**FRANCHISOR:** _____ **FRANCHISEE:** _____~~

~~Sir Grout Franchising, LLC _____~~

~~By: _____ By: _____
Its: _____ Its: _____~~

ADDENDUM TO SIR-GROUT FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF RHODE ISLAND

~~In recognition of the Rhode Island Franchise Investment Act, as amended, the Franchise Disclosure Document for Sir Grout Franchising, LLC for use in the State of Rhode Island shall be amended as follows:~~

~~1. Item 17, "Renewal, Termination, Transfer and Dispute Resolution" shall be amended by the addition of the following paragraph:~~

~~If you are a franchisee in Rhode Island, then the choice of law and venue provisions of your Franchise Agreement will not be enforceable.~~

ADDENDUM TO SIR-GROUT FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF VIRGINIA

~~In recognition of the Virginia Retail Franchising Act, as amended in 2006, 21 VAC 5-110-65.1, the Franchise Disclosure Document for Sir Grout Franchising, LLC for the offer of Sir Grout franchises for operation in the State of Virginia shall be amended to include the following:~~

~~1. The following statements are added to Item 17.h:~~

~~Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any 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.~~

~~2. 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.~~

~~3. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently, without reference to this Addendum to the Franchise Disclosure Document.~~

~~AMENDMENT TO SIR GROUT FRANCHISING, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF VIRGINIA~~

~~In recognition of the Virginia Retail Franchising Act, as amended in 2006, 21 VAC 5-110-65.1, the Franchise Agreement for Sir Grout Franchising, LLC for the offer of Sir Grout franchises for operation in the State of Virginia shall be amended to include the following:~~

~~1. 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 parties have duly executed this Amendment to the Franchise Agreement on the _____ day of _____, 20__.~~

~~**FRANCHISOR:** _____ **FRANCHISEE:**~~

~~Sir Grout Franchising, LLC _____~~

~~By: _____ By: _____
Its: _____ Its: _____~~

WASHINGTON ADDENDUM TO SIR-GROUT FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

~~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 19.100 RCW will prevail.~~
- ~~2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement 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 that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including 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 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 rules or 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 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations 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.~~

- ~~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.~~
- ~~19. **Financial Assurance.** In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the Franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the Franchise Agreement or offering circular, and (b) is open for business. Because Franchisor has material pre-opening obligations with respect to each franchised business Franchisee opens with a multi-unit purchase, payment of the franchise fee will be released proportionally with respect to each franchise outlet opened and until Franchisor has met all its pre-opening obligations under the Franchise Agreement and Franchisee is open for business with respect to each such location.~~

WASHINGTON ADDENDUM TO THE
FRANCHISE AGREEMENT AND ANY 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 19.100 RCW will prevail.~~
2. ~~**Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement 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 that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including 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 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 rules or 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 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations 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.~~

- ~~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.~~
- ~~19. **Financial Assurance.** In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the Franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the Franchise Agreement or offering circular, and (b) is open for business. Because Franchisor has material pre-opening obligations with respect to each franchised business Franchisee opens with a multi-unit purchase, payment of the franchise fee will be released proportionally with respect to each franchise outlet opened and until Franchisor has met all its pre-opening obligations under the Franchise Agreement and Franchisee is open for business with respect to each such location.~~
- ~~20. **Modification.** Section 20.2 of the Franchise Agreement, titled “No Oral Modification” is deleted in its entirety and replaced with the following:~~

~~This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties.~~

STATE EFFECTIVE DATES

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT (Your Copy)

This disclosure document summarizes provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Sir Grout Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires we give you this disclosure document at least 10 business days before the execution of any franchise or other agreement or the payment of any consideration, whichever occurs first.

If Sir Grout Franchising, LLC 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 on Exhibit A.

The Franchisor is Sir Grout Franchising, LLC, located at 17700 Saint Clair Avenue, Cleveland, Ohio 44110. Its telephone number is (617) 412-4464

The Franchise Seller for this offering is Donna Davidson, Sir Grout Franchising, LLC, 17700 Saint Clair Avenue, Cleveland, Ohio 44110; Telephone: (617) 765-0926.

Franchise Seller: _____
Name/Address/Telephone Number

Issuance Date: April 29, 2025

See Exhibit A for our registered agents authorized to receive service of process.

I received a disclosure document dated April 29, 2025, that included the following Exhibits:

A. Franchisor’s Agents for Service of Process and State Franchise Administrators	E. List of Current and Former Franchisees
B. Franchise Agreement w/Exhibits	F. Conditional Consent to Transfer
C. Table of Contents to Confidential Operating Manual	G. Financial Statements/Parent Guarantee
D. State Specific Addenda and Riders	

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

Please sign this copy of the receipt, date your signature, and retain it for your records.