

FRANCHISE DISCLOSURE DOCUMENT

Hello Garage Franchising, LLC
a Nebraska limited liability company
11850 Valley Ridge Drive
Papillion, NE 68046
1-833-396-0813

Hello Garage Franchising, LLC offers individual franchises for the operation of a Hello Garage® franchised business (“Franchised Business”) that offers commercial and residential garage renovation services and related products and services under the Hello Garage Marks and System.

The total investment necessary to begin operation of a Hello Garage franchised business is from ~~\$131,403~~130,828 to ~~\$160,743~~160,334 for one territory and ~~\$215,403~~214,828 to ~~\$245,743~~245,334 for three territories. This includes ~~\$89,248 to \$89,948~~85,658 that must be paid to us or our affiliates for one territory and ~~\$188,248 to \$188,948~~155,658 that must be paid to us or our affiliates for three territories.

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 Franchise Sales at Hello Garage Franchising, LLC at 11850 Valley Ridge Drive, Papillion, NE, or at 1-833-396-0813.

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 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.

Issuance Date: April ~~54, 2023, as amended November 9, 2023~~2024

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
How much can I earn?	Item 19 may give you information about territory sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Attachment C.
How much will I need to invest?	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.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Attachment A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised territories.
Will my business be the only Hello Garage business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Hello Garage franchisee?	Item 20 or Attachment C lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Attachments 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 Attachment D.

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 litigation only in Nebraska. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Nebraska 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. **Mandatory Minimum Payments.** You must make mandatory minimum royalty payments or advertising contributions regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.
4. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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.

DISCLOSURES REQUIRED BY MICHIGAN LAW

To the extent the Michigan Franchise Investment Law, Mich. Comp. Laws §§445.1501 – 445.1546 applies, the terms of this Addendum apply.

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

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

(i) The failure of the proposed 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 (c).

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

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

If the franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Attn.: Franchise, 670 Law Building, Lansing, Michigan 48913, telephone: (517) 373-7117.

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, “we” and “us” means Hello Garage Franchising, LLC, the franchisor. “You” means the person who buys the franchise. If a corporation, partnership or limited liability company buys a franchise, “you” also may refer to the shareholders of the corporation, partners of the partnership or members of the limited liability company.

The Franchisor

We are a Nebraska limited liability company formed in November 2019. Our principal place of business is at 11850 Valley Ridge Drive, Papillion, NE 68046. Our telephone number is 1-833-396-0813. Our agents for service of process are disclosed in Attachment D. We do not conduct business in any other line of business, and we have not offered franchises in any other line of business.

Our Business Experience and Affiliates

We began franchising in July 2020. Our parent is the Nancy J. Thrasher 2015 Irrevocable Family Trust dated December 30, 2015, which has its principal place of business at 11844 Valley Ridge Dr., Papillion, NE 68046. Our parent does not offer franchises in any line of business or provide products or services to the Hello Garage® franchisees.

One of our affiliates, Hello Garage Operations, LLC (“HG Operations Nebraska”) is a Nebraska limited liability company that was formed in September 2019 and has its principal business address at 11844 Valley Ridge Dr., Papillion, NE 68046. As of the issuance date of this disclosure document, HG Operations Nebraska operates one Hello Garage business that operates in ~~four~~six territories: three territories in Nebraska and ~~one territory~~three territories in Iowa.

Another affiliate, HG Operations, LLC (“HG Operations Kansas”) is a Kansas limited liability company that was formed in July 2020 and has its principal business address at 11844 Valley Ridge Dr., Papillion, NE 68046. As of the issuance date of this disclosure document, HG Operations Kansas operates one Hello Garage business that operates in ~~six~~seven territories in the Kansas City metropolitan area.

[HG Operations Kansas and HG Operations Nebraska have merged operations and currently operate as one business.](#)

Another affiliate, Supportworks, Inc. (“Supportworks”), is a Nebraska corporation and shares our principal place of business address. Supportworks was incorporated in October 2009. Supportworks has created and continues to develop the proprietary sales software, GarageView, that will be used in your Franchised Business and licensed from us. Supportworks is also a supplier to a dealer network that offers and sells products and services related to foundation and concrete repair. Supportworks is an approved supplier to Hello Garage franchisees.

Finally, Thrasher, Inc. (“Thrasher”) is a Nebraska corporation that was formed in October 2009 and has its principal business address at 11844 Valley Ridge Dr., Papillion, NE 68046. Thrasher is a successor to Thrasher Basement Waterproofing, Inc., which was originally organized in July 1988. Thrasher currently provides foundation and concrete repair, basement waterproofing, sump pump installation and repair and other products and services at residential and commercial properties. Thrasher is our affiliate and expects to acquire and operate Hello Garage Franchised Businesses.

Except as described above, we have no parents, predecessors or affiliates. Our parents and affiliates do not operate any other business except as described and have not, and do not, offer franchises in any line of business.

Franchise Offered

You will receive the right to own and operate an individual Franchised Business that offers and sells commercial and residential garage renovation products and services, including the installation of concrete floor coatings, storage cabinets, accessories like slatwall and lighting, and other products and services we approve. The Franchised Business will offer the services we approve and use certain distinctive types of equipment, supplies, confidential information, business techniques, proprietary software, servicing techniques, methods and procedures, and sales promotion programs, as we periodically may modify and further improve (collectively, the “System”). The Franchised Business may be operated from a location within one or more protected territories that we designate (each territory, a “Protected Territory”). The office may be located at your residence so long as you have dedicated office space at your residence and your residence is located within the Protected Territory. You will also be required to use a temperature-controlled storage facility that meets our then-current standards and requirements, as described in the Manuals. The storage facility may be located at the same or different location as the office and must be at any location within the Protected Territory.

Market and Competition

Any individual or business with a garage is a potential customer. The market for garage renovation businesses is developing and includes both local businesses and national chains. Your competition will include other construction and garage renovation businesses.

Laws, Licenses and Permits

You should be aware of state and local government zoning ordinances and regulations in your proposed Protected Territory. You also will likely need to obtain a contractor’s license. Each Franchised Business must comply with all federal, state, and local laws, and we urge you to become familiar with these specific laws and regulations governing the operation of a Franchised Business in your state. For example, you must comply with all OSHA and EPA regulations and requirements. You also must operate your Franchised Business in compliance with all data protection and privacy laws and all employment and wage and hour laws. You also should check with your state and local authorities to determine if there are additional requirements.

We permit you to operate your Hello Garage Franchised Business from your residence (if your residence is located within your Protected Territory); however, local law may require that your storage facility be located in a commercial (non-residential) area. You should check with your state and local law to determine where you are permitted to operate your Franchised Business and store the approved products.

ITEM 2

BUSINESS EXPERIENCE

Dave Thrasher – CEO

Dave was promoted to CEO of Hello Garage in March 2022 and has been the CEO of Supportworks since September 2021. Previously, he had been our President in Papillion, Nebraska since November 2019. Since October 2009, Dave was also the President of Supportworks.

Amanda Harrington – President

Amanda has been our Vice President in Papillion, Nebraska since November 2019 and was promoted to President in July 2022. Amanda also serves as the President for Supportworks. Before this role, Amanda served as the Vice President of Strategy, Director of Training & Development and Director of Marketing & Program Development from March 2007 until September 2021 for Supportworks.

Jennifer Baker – Vice President of Brand Innovation

Jennifer began as our Director of Brand Innovation in Papillion, Nebraska in November 2019. Since June 2017, Jennifer was also serving as the Director of Brand Innovation for Supportworks. In November of 2020, she became the Senior Director of Brand Innovation for both Hello Garage and Supportworks and in January 2022, she was promoted to Vice President of Brand Innovation.

Kurtis Kammerer – Vice [President and Division](#) President of Hello Garage

Kurtis was promoted to Vice [President and Division](#) President of Hello Garage in Papillion, Nebraska in July 2022. Previously, he was Vice President of Sales and Business Development from July 2020 to July 2022, and Senior Director of Sales and Business Development in Papillion, Nebraska since November 2019. From April 2012 to July 2020, Kurtis was the Director of Dealer Performance: Sales in Papillion, Nebraska for Supportworks.

Kraig Schjodt – [Director of Business](#) ~~Coach~~ ~~Manager~~ [Coaching](#)

Kraig began as our ~~Manager~~ [Director](#) of Business Coaching in Omaha, Nebraska in October 2022. Prior to Hello Garage, Kraig worked at Thrasher Foundation Repair in Omaha, Nebraska for 11 years, most recently as an Operations Trainer from October 2020 to October 2022 and before that as a Sales Manager from October 2015 to October 2020.

Laura Moore – Director of Marketing

Laura joined Hello Garage in Omaha, Nebraska as a Senior Marketing Specialist in September 2021. She was promoted to Director of Marketing in August 2022. Laura previously worked at multiple advertising agencies and digital marketing companies where she held various roles, including as a Senior Account Manager from March 2019 to September 2021 at Sleight Advertising in Omaha, Nebraska, and as a Client Manager from November 2016 to March 2019 and as an Executive Assistant and Office Manager from February 2016 to March 2019 at Vyril Marketing in Omaha, Nebraska.

Nick Rucker – Production Training and Development Manager

Nick began with Supportworks as a Dealer Performance Coach in Papillion, Nebraska in February 2018. Nick started as a trainer of foundation products at Supportworks and in 2019 cross trained into concrete and remained in the dual role until August 2021. In May 2020, Nick became a rotating production installer for Hello Garage of Omaha while still maintaining his position working with Supportworks dealers, and in August 2021 became the Production Training and Development Manager for Hello Garage in Papillion, Nebraska. Nick has also been a small arms repairer for the US Army since August 2008.

[Mike White – Senior Director of Hello Garage](#)

Mike joined Hello Garage in Papillion, Nebraska in February of 2024. Previously, Mike held a variety of positions at King of Kings Church from July 2018 to December 2023 in Omaha, Nebraska and was most recently the Director of Ministry. Mike also worked in professional ministry at Point of Grace Church in Pflugerville, TX, as the Director of Student Ministry and Business Manager.

Dustin Selzer – Sales Training & Development Manager

Dustin Selzer joined Hello Garage September of 2022 as a Sales Coach. He was recently promoted to Manager of Sales coaches in January 2024. Prior to working at Hello Garage, Dustin worked at a e-commerce company Spreetail in Omaha, Nebraska from September 2021 to September 2022 as a Senior Business Development Manager. Dustin worked at Thrasher in Papillion, Nebraska as a System Design Specialist (Sales) from January 2015 to September 2021.

Dawn Glaze – National Appointment Center Manager

Dawn joined Hello Garage in Omaha, Nebraska, as the National Appointment Center Manager in September 2023. Prior to joining the company, she managed other call center operations in Omaha, Nebraska, including Core Services at Marriott International from November 2022 to September 2023, National Sales Support at US Foods from March 2020 to November 2022, and Contact Center Operations at from Omaha Steaks, July 2015 to February 2020.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5

INITIAL FEES

The “Initial Franchise Fee” for a single Protected Territory is \$49,500. If you elect to purchase more than one Protected Territory when you sign the Franchise Agreement, you will pay us an Initial Franchise Fee for each Protected Territory as follows:

Protected Territory	Initial Franchise Fee Per Protected Territory
1 st Protected Territory	\$49,500
2 nd Protected Territory	\$40,000
3 rd Protected Territory	\$30,000
4 th Protected Territory	\$29,500
5 th Protected Territory	\$29,000
6 th Protected Territory	\$28,000
7 th Protected Territory	\$27,000
8 th Protected Territory	\$25,000

Protected Territory	Initial Franchise Fee Per Protected Territory
9 th Protected Territory	\$23,000
10 th Protected Territory	\$18,500

All Initial Franchise Fees are due and payable when you sign the Franchise Agreement, are fully earned by us upon receipt, and are non-refundable. Each Protected Territory will have up to approximately 75,000 qualified single-family households. In ~~2022~~2023, we collected Initial Franchise Fees ranging from \$~~0~~29,875 to \$49,500 per Protected Territory.

If you request, and we agree to grant you a Protected Territory that includes a population that exceeds 75,000 qualified single-family households, in addition to the Initial Franchise Fee, you must pay us an amount equal to \$.66 per additional qualified single-family household (based on the population of the Protected Territory as of the date you sign the Franchise Agreement).

We offer a Veteran discount to honorably discharged veterans of the United States armed forces and their spouses. We will reduce the Initial Franchise Fee for your first Protected Territory by 10% for veterans and/or their spouses who have received an honorable discharge from the military and meet our qualifications for a Hello Garage Franchised Business.

If you are an existing Supportworks or Contractor Nation dealer at the time you sign the Franchise Agreement, then we may reduce or eliminate the Initial Franchise Fee for some or all of your Protected Territories.

When you sign the Franchise Agreement, you must pay us an amount equal to \$175 to process your technology onboarding (“Technology On-Boarding Fee”). The Technology On-Boarding Fee is not refundable.

Before you open your Franchised Business, you will pay Supportworks approximately ~~\$1,300~~ 1,472 for your “Launch Kit” which currently includes [a sales sample kit](#), business cards, product and marketing brochures, pre-mailers, door hangers, folders, thank you note cards, envelopes, yard signs, [home show brochures and lead slip forms](#) and is subject to change. You also will purchase from Supportworks the initial product inventory and certain equipment in the amount of \$36,973. ~~Finally, you will purchase from our designated supplier(s) the hardware and marketing materials for your trade show booth in the amount ranging from \$1,300 to \$2,000~~ 34,511. You also must pay all applicable shipping and handling fees for these items. The Launch Kit, inventory and equipment, ~~and trade show booth~~ purchases are not refundable.

ITEM 6

OTHER FEES

Type Of Fees (1)	Amount	Due Date	Remarks
Brand Services Fee	The greater of \$150 or 3% of Gross Revenue	Payable weekly	Each calendar year, you must pay us a minimum Brand Services Fee equal to 3% of the Minimum Performance Requirement per Protected Territory (See Note 2)
Software License Fee	\$65 per sales software license, \$125 for CRM plus \$11 per email address, \$175 initial CRM setup fee	Payable monthly	(See Note 4)
Minimum Local Advertising	For Franchised Businesses that operate in	When incurred	(See Note 6)

Type Of Fees (1)	Amount	Due Date	Remarks
Spend Requirement	one Protected Territory, a minimum spend amounting to the greater of 10% of Gross Revenue or \$60,000 per year For Franchised Businesses that operate in two or more Protected Territories, a minimum spend amounting to the greater of 10% of Gross Revenue or \$35,000 per Protected Territory per year		
Pre-Sales Appointment Mailer (Pre-Mailer)	Currently \$7.50 per mailer	Payable weekly with the Brand Services Fee	We may increase the pre-mailer fee upon 30 days' notice. (See Note 7)
Inside Sales Program Fee	Currently not charged	Payable monthly	We may charge an Inside Sales Program Fee upon 90 days' notice to you (See Note 8)
Transfer Fee	\$10,000	Before completion of transfer	Paid when Franchise Agreement, assets, or interest in you is transferred. You are responsible for any broker fees.
Renewal Fee	20% of our then-current initial franchise fee for the first Protected Territory	At least 30 days before renewal of Franchise Agreement	Paid when you renew the Franchise Agreement.
Non-Compliance Fee	Up to \$1,000 per occurrence	When incurred	(See Note 9)
Technology Fee	Currently not charged	Payable weekly with the Brand Services Fee	We may charge a Technology Fee upon 90 days' notice to you
Interest Expenses	Lesser of 16% per year or the maximum rate permitted by law	When due	Payable if you do not timely pay any fees or amounts owed to us or our affiliates.
Supplier Evaluation	Currently, not collected	When incurred	(See Note 10)
Additional Initial / Required Ongoing Training	Currently, not collected but subject to space limitations	If required, before training	
Additional On-Site Training / Operating Assistance	Currently \$1,000 per trip, plus any product materials and equipment	Before training	Incurred for any additional or refresher training we require or that you may request, or any additional operating assistance during the term of the Franchise Agreement.
Summit Registration	Currently, \$500 per attendee plus travel and related expenses	Before attending the Summit	(See Note 11)
Mystery Shopper and Quality Assurance	Currently, not collected	On demand	(See Note 12)
Designated Accounts Program	Currently, not collected	When incurred	When implemented, you will participate in any regional or national accounts program we designate and as described in the Manuals.
Webstore Purchases	Will vary under circumstances	When incurred	If you purchase items from us or our affiliates on the Supportworks webstore, you will pay us or our affiliates for the ordered items, plus shipping costs.
Management of the	Will vary under circumstances	When incurred	(See Note 13)

Type Of Fees (1)	Amount	Due Date	Remarks
Franchised Business			
Costs and Attorneys' Fees	Will vary under circumstances	When incurred	The non-prevailing party will pay Costs and Attorneys' Fees for disputes under the Franchise Agreement
Audit	Cost of audit and related expenses plus interest	When incurred	(See Note 14)
Insurance	Cost of insurance	When incurred	If you fail to obtain or maintain required insurance, we may obtain insurance and seek from you reimbursement for insurance.
Income and Sales Taxes	We may collect from you the cost of all taxes arising from our licensing of intellectual property to you in the state where your Franchised Business is located, as well as any assessment on fees and any other income we receive from you.	Payable, when applicable, by electronic funds transfer.	Only imposed if state collects these taxes or assessments.
Customer Complaint Fee	3% of total Gross Revenue in the 24 months prior to the termination or expiration of the Franchise Agreement	Payable upon termination or expiration of the Franchise Agreement	In consideration for amounts we may spend to address customer complaints following the termination or expiration of your Franchise Agreement; you also must indemnify us for any costs we incur over that amount

Notes:

- (1) Type of Fees. Unless otherwise noted, all fees are payable to us, are non-refundable and are uniformly imposed, although we may occasionally reduce or waive fees. We reserve the right to require you to pay fees and other amounts due to us or our affiliates via electronic funds transfer, credit card, or other similar means, as described in the Franchise Agreement and Manuals. If payments are required in this method, you must comply with our procedures and perform all acts and deliver and sign all documents, including authorization (in the form attached as Exhibit B to the Franchise Agreement or any other form that we may require or accept) for direct debits from your Franchised Business's bank operating account, which may be necessary to assist in or accomplish payment by this method. Under this procedure you shall authorize us or our affiliates to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us or our affiliates and any interest that may be owing. You shall make the funds available to us or our affiliates for withdrawal by electronic transfer no later than the payment due date. If you have not timely paid the Brand Services Fee or any other fee due to us or our affiliates for any month, then we or our affiliates shall be authorized, at our option, to debit your account for the Brand Services Fee (including the Brand Services Fee Catch-Up) and other applicable fees. A payment will be deemed delinquent if we or our affiliates do not receive the payment on or before the payment due date, or if there are insufficient funds in your bank account to collect the payment by a transfer of funds on or after the payment due date.
- (2) Gross Revenue Definition. "Gross Revenue" means the aggregate amount of all sales of goods and services, whether for cash, by check, credit card or otherwise, made, or provided at or in connection with the Franchised Business. The term "Gross Revenue" does not include any federal, state, municipal or other sales, value added or retailer's excise taxes that you pay or accrue. For the purposes of the Franchise Agreement, a sale occurs at the time the goods are provided or installed, or the services are performed. Gross Revenue will not be adjusted for uncollected accounts.

- (3) Brand Services Fee. During the term of the Franchise Agreement, you will pay us a system brand services fee (the “Brand Services Fee”). The Brand Services Fee is equal to the greater of \$150 per week or 3% of Gross Revenue per month, whichever is greater. You will pay us your first Brand Services Fee once you collect the first occurrence of Gross Revenue. The Brand Services Fee is due and payable via electronic transfer on Wednesday of each week.
- (4) Annual Brand Services Fee Catch-Up. Each reporting year, the annual amount of Brand Services Fees paid to us must equal or exceed 3% of the Minimum Performance Requirement Per Protected Territory (as described in Item 12). If that amount of Brand Services Fee is less than 3% of the Minimum Performance Requirement Per Protected Territory, then you will pay us the “Brand Services Fee Catch-Up”, which is the difference between (i) 3% of the Minimum Performance Requirement Per Protected Territory for the applicable reporting year, and (ii) the Brand Services Fees, you paid us. If due, then you will pay us the Brand Services Fee Catch-Up within 30 days following the end of each reporting year.
- (5) Software License Fee. During the terms of the Franchise Agreement, you will pay us a non-refundable software licensing fee (the “Software License Fee”). Currently, the Software License Fee is used to pay for the Hello Garage CRM (\$125 per month), the GarageView sales software (\$65 per month per sales account) and the Hello Garage email addresses (\$11 per person per month). Each Franchised Business must use the CRM and must have at least one GarageView sales account. Currently, each franchise owner receives one license for Franchise Optics (data center) free of any additional charge. Each employee must have an email address. The Software License Fee is due and payable in the same manner as the Brand Services Fee and is due the first Wednesday of each calendar month. We may change the Software License Fee upon 90 days’ notice to you, and we will not increase the Software License Fee more than once in the same 12-month period.
- (6) Minimum Local Advertising Spend Requirement. Each year, you will at a minimum spend the amount designated in Exhibit A to the Franchise Agreement (the “Minimum Local Advertising Spend Requirement”) on “approved” advertising and promotional activities in each Protected Territory. If your Franchised Business operates in one Protected Territory, the Minimum Local Advertising Spend Requirement is the greater of 10% of total Gross Revenue or \$60,000 per year. If your Franchised Business operates in two or more Protected Territories, the Minimum Local Advertising Spend Requirement is the greater of 10% of Gross Revenue or \$35,000 per Protected Territory per year. For example, if your Franchised Business operated in two Protected Territories, your Minimum Local Advertising Spend Requirement would be the greater of 10% of Gross Revenue or \$70,000 per year, or if your Franchised Business operated in four Protected Territories, the Minimum Local Advertising Spend Requirement would be the greater of 10% of Gross Revenue or \$140,000 per year. If you fail to spend the minimum amount required for approved Minimum Local Advertising Spend Requirement, you will pay us the difference between what you should have spent for approved advertising and the amount you actually spent during the calendar year. We will use that amount to pay expenses we incur in connection with the general support of the franchise system and such amounts may not be spent in your Protected Territory.
- (7) National Appointment Center. We send marketing materials to a customer anytime you have an appointment with a customer, whether developed by the National Appointment Center or by you. We require you to pay us for these mailers. This amount is \$7.50 per Pre-Sales Appointment Mailer (pre-mailer), and it is not credited towards your Minimum Local Advertising Spend Requirement. We may increase the pre-mailer fee upon 30 days’ notice.

- (8) Inside Sales Program. Franchisees must participate in the Inside Sales Program through the National Appointment Center. All quotes that are unsold immediately after Franchisee conducts the appointment will be transferred to an Inside Sales Representative at the National Appointment Center. This Inside Sales Program Fee is not currently charged; however, we may add a fee upon 90 days' written notice.
- (9) Non-Compliance Fee. All Non-Compliance Fees will be imposed according to the schedule stated in the Manuals. Our right to charge you a Non-Compliance Fee does not limit our right to terminate the Franchise Agreement or take other action permitted under the Franchise Agreement and applicable law.
- (10) Supplier Evaluation. If you propose to purchase any supplies, materials, equipment, vehicles, or signs we have not then approved, or any items from any supplier we have not then approved, you must notify us in writing and provide to us (at our request) sufficient specifications, photographs, drawings and other information or samples for us to determine whether the supplies, materials, equipment, vehicles or signs comply with our specifications and standards, or the supplier meets our approved supplier criteria, which determination we will make and communicate in writing to you within a reasonable time (generally 30 days).
- (11) Summit Registration. You are required to attend our annual franchise conference that we sponsor or designate, pay our then-current fee, and any costs you incur to attend the conference. You will have to pay the Summit Registration for two people even if you fail to attend.
- (12) Mystery Shopper and Quality Assurance. You must participate in any mystery shopper or quality assurance program we designate, and you may be required to pay a fee to participate in the programs. If you do not receive a passing score in connection with any mystery shopper or quality assurance program, you may be required to reimburse us for any costs or expenses we incur.
- (13) Management of the Franchised Business. If you (or the Designated Owner) die or are permanently disabled, then your executor or other personal representative or the remaining Principal Owners must appoint a competent Operating Manager acceptable to us within 30 days. If no Operating Manager is appointed, we may step in to manage the Franchised Business and charge you a reasonable fee.
- (14) Audit. This fee is payable only if an audit shows an understatement of 2% or more of Gross Revenue in any month, or an audit is required because you did not provide us with required information in a timely manner.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type Of Expenditures (Note 1)	Amount for 1 Territory	Amount for 3+ Adjacent Territories	Method Of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (Note 2)	\$49,500	\$119,500	Lump Sum	When you sign the Franchise Agreement	Us
Technology On-Boarding Fee	\$844 - <u>\$912</u>	\$844 - <u>\$912</u>	Lump Sum	When you sign the	Us

Type Of Expenditures (Note 1)	Amount for 1 Territory	Amount for 3+ Adjacent Territories	Method Of Payment	When Due	To Whom Payment Is To Be Made
and Software License Fees (Note 3)				Franchise Agreement	
Minimum Opening Marketing Spend (Note 4)	\$20,000 - \$30,000	\$30,000 - \$40,000	As Incurred	As Incurred	Third Party Suppliers
Launch Kit <u>& Trade Show Booth</u> (Note 5)	\$1,300 2,850 - <u>\$3,200</u>	\$1,300 2,850 - <u>\$3,200</u>	Lump Sum	Before you open the Franchised Business	Supportworks <u>& Third Party Supplier</u>
Vehicle Financing & Vehicle Wrap (Note 6)	\$3,000 - \$7,000	\$3,000 - \$7,000	As Agreed Upon	As Incurred	Third Party Suppliers
Opening Inventory Purchase and Initial Equipment Package (Note 7)	\$46,024 \$50,754 <u>\$44,604 -</u> <u>\$49,187</u>	\$46,024 \$50,754 <u>\$44,604 -</u> <u>\$49,187</u>	As Agreed Upon	As Incurred	Supportworks or Third Party Suppliers
Business Licenses and Permits (Note 8)	\$140 - \$250	\$140 - \$250	As Incurred	As Incurred	Governmental Agencies & Departments
Computer System (Note 9)	\$0 - \$4,000	\$0 - \$4,000	As Agreed Upon	As Incurred	Third Party Supplier
Travel Expenses to Attend Initial Training In-Person (Note 10)	\$2,000 - \$3,000	\$2,000 - \$3,000	As Incurred	As Incurred	Third Party Suppliers
Insurance (Note 11)	\$700 - \$1,500	\$700 - \$1,500	As Incurred	As Incurred	Third Party Supplier
Trade Show Booth (Note 12)	\$1,300 \$2,000	\$1,300 \$2,000	As Incurred	As Incurred	Third Party Supplier
Franchise Resource Bookkeeping Fee <u>- 3 Months</u> (Note 13 12)	\$595 per franchisee 1,190 to <u>\$1,785</u>	\$595 per franchisee 1,190 to <u>\$1,785</u>	As Incurred	As Incurred	Franchise Resource
Additional Funds <u>- 3 Months</u> (Note 14 13)	\$6,000 - \$10,000	\$10,000 - \$15,000	As Incurred	As Incurred	Third Party Suppliers
TOTAL (Notes 14 and 15)	\$131,403 <u>\$130,828 to</u> \$160,743 <u>\$160,334</u>	\$215,403 <u>\$214,828 to</u> \$245,743 <u>\$245,334</u>			

Notes:

- (1) Type of Expenditure. Except where otherwise noted, all fees that you pay to us are non-refundable. We and our affiliates do not offer direct or indirect financing to franchisees for any items. Third party lessors, contractors and suppliers will decide if payments to them are refundable. We assume that you will be operating your business from your home and will not need office space in the initial months of operation.
- (2) Initial Franchise Fee. You pay us the Initial Franchise Fee as more fully described in Item 5.
- (3) Technology On-Boarding Fee and Software License Fees. You pay us the Technology On-Boarding Fee as more fully described in Item 5. This estimate also includes the Software License Fees for three months (assuming 3 sales software licenses, 3 months of CRM and 3 email addresses).

- (4) Minimum Opening Marketing Spend. You will spend the Minimum Local Advertising Spend Requirement on “approved” advertising and promotional activities in your Protected Territory. The estimate above assumes that during the first three months of opening the Franchised Business, in order to promote your Franchised Business, you will spend a minimum of \$20,000 if you operate in one territory and a minimum of \$30,000 if you operate in three or more territories, in addition to your Hello Garage Brand Fee. This number may be different based on your individual lead goals, the development of the brand in your market, the cost of advertising and promotional activities in your territory, and market dynamics.
- (5) Launch Kit and Trade Show Booth. You pay us the Launch Kit as more fully described in Item 5. Additionally, before you attend your first trade show or similar event, you must purchase a trade show booth from our designated supplier(s), and you must participate as a vendor in at least five trade shows or similar in person events per calendar year within all contiguous Protected Territories you own or as described in the Manuals. In person events include but are not limited to home and garden shows, boat shows, car club meet ups, farmers markets, craft fairs, hobby expos and county and state fairs. The costs for the trade show booth marketing materials and any other costs you incur to participate in the trade show or similar event, except the trade show booth hardware, will count towards your Minimum Local Advertising Spend Requirement.
- (6) Vehicle Financing and Vehicle Wrap. You must use an installation vehicle that meets our minimum standards and requirements. The estimate included in the table above reflects the estimated cost for leasing an installation vehicle over a period of 3 months as well as tax, registration, and licensing. If you decide to purchase the vehicle, your costs will exceed the costs estimated above. Additionally, you will need to have the installation vehicle fitted with the vehicle wrap we require. The estimated cost of the wrap is \$3,700. Some of the vehicles that you use in operating your Franchised Business must meet our standards and specifications and be branded or wrapped as we require, as more fully described in the Manuals. For a professional appearance, you must wrap any vehicle used in the business or add signage. It is recommended that you lease or buy a trailer to store garage contents while on a job. You will be able to charge for that service. We assume that you will not need additional vehicles when you begin operating your Franchised Business if you operate in one territory or three territories.
- (7) Opening Inventory and Equipment Purchase. You must obtain the opening equipment and inventory as more fully described in Item 5. We assume that you will need only one installation vehicle when you begin operating your Franchised Business, and therefore, the inventory and equipment purchase does not vary between one territory and three territories.
- (8) Business Licenses and Permits. This amount includes estimates for business licenses and permits and will vary depending on local requirements.
- (9) Computer System. This amount reflects the amount you may pay for the Computer System hardware which we designate for use in your Franchised Business. If you already own computer hardware that meets our requirements for the Computer Software, you may not need to purchase any additional computer hardware.
- (10) Travel Expenses to Attend Initial Training In-Person. We do not charge a fee for attendance to the Initial Training Program (as defined in Item 11), but you are responsible for all travel and accommodation costs and expenses for attendees. The estimate included in the table above includes estimates for travel expenses for two people to attend the required Initial Training Program in-person and the recommended training for two of your production employees in Omaha, Nebraska prior to the training we do in your market during your first week of installations (described further in Item 11).

- (11) Insurance. The insurance estimate reflects insurance costs for a period of 3 months.
- ~~(12) Trade Show Booth. Before you attend your first trade show or similar event, you must purchase a trade show booth from our designated supplier(s), and you must participate as a vendor in at least five trade shows or similar in person events per calendar year within all contiguous Protected Territories you own or as described in the Manuals. In person events include but are not limited to home and garden shows, boat shows, car club meet ups, farmers markets, craft fairs, hobby expos and county and state fairs. The costs for the trade show booth marketing materials and any other costs you incur to participate in the trade show or similar event, except the trade show booth hardware, will count towards your Minimum Local Advertising Spend Requirement.~~
- (12) Franchise Resource – Up to 3 months. You must use our designated third party provider for bookkeeping services. Currently, we require you to use Franchise Resource. You must begin using our designated third party provider for bookkeeping services within 30 days of signing the Franchise Agreement. Currently, there is a monthly fee of \$595 paid directly to Franchise Resource, but if your Franchised Business reaches \$2,000,000 in annual Gross Revenue, the following calendar year, you are no longer obligated to use our designated third party provider for bookkeeping services.
- (13) Additional Funds - 3 Months. This amount estimates the expenses you will incur during the first three months of Franchised Business operations, including fuel and mileage, temperature-controlled product storage facility, consumables, QuickBooks Online and QuickBooks Payroll expenses, miscellaneous supplies, uniforms, and professional fees (such as attorneys or accountants). We relied on our affiliates' experience in operating the corporate location, and Supportworks' experience in supporting a distribution network to estimate these costs. These amounts are estimates, and we cannot guarantee that you will not incur additional expenses in starting your Franchised Business.
- (14) Total. This total is an estimate of your pre-opening initial investment and the estimated expenses you likely will incur during the first three months of Franchised Business operations. The total is based on our affiliate's experience in operating the company-owned Hello Garage® store in Omaha, Nebraska since November 2019. It is also based on our sourcing estimates for other expenses, including inventory, vehicle wrap, computer system, and trade show booth. We cannot guarantee that you will not have additional expenses in starting or operating your Hello Garage Franchised Business. You should review this amount carefully with a business advisor before deciding to purchase the franchise.
- (15) Multiple Protected Territories. You may have an opportunity to purchase the right to operate in multiple Protected Territories under the Franchise Agreement. If you elect to purchase multiple Protected Territories, the only changes to your fees will be an increased Initial Franchise Fee (as described in Item 5) and potentially an increased Minimum Local Advertising Spend Requirement depending on your lead goals and market dynamics (as described in Items 6 and 11). Otherwise, we do not expect you to incur any other additional expenses or incur additional obligations. For example, you will be obligated to attend five trade shows or similar in-person events per year within all contiguous Protected Territories you own or as described in the Manuals.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure a uniform image and uniform quality of products and services throughout the Hello Garage system, you must maintain and comply with our quality standards. We will provide you with our Manuals and various bulletins and notices that will contain these standards. As we determine trends in the marketplace or develop new marketing techniques, technologies, products and services, we anticipate that we will develop and modify our standards as we consider appropriate and useful, and notify you through amendments to the Manuals, newsletters or other bulletins.

Location of your Franchised Business; Real Estate Lease; Vehicle

You may either lease a space for the Franchised Business or operate your Franchised Business from a home office. Regardless of whether you lease a space for your Franchised Business or operate your Franchised Business from a home office: (i) the Franchised Business premises must be located in the Protected Territory, (ii) the Franchised Business premises must meet our standards and requirements, and (iii) you must secure the right to a temperature-controlled storage space that meets our standards and requirements. You are not required to purchase, lease, or sublease the Franchised Business premises or storage space from us or our affiliate.

Before opening the Franchised Business, you must obtain an installation vehicle that meets our standards and specifications as outlined in the Manuals. Some of the vehicles that you use in operating your Franchised Business must meet our standards and specifications and be branded or wrapped as we require, as more fully described in the Manuals.

Equipment, Products & Signs

You will use in operating your Franchised Business only those types of approved or designated materials, supplies, equipment (including designated commercial and residential garage renovation equipment and computer hardware and software), vehicles and signs that we have approved as meeting our specifications and standards for appearance, function, and performance. You may purchase these items from any supplier we approve or designate. We or one of our affiliates may be an approved supplier of one or more of these items.

You also agree to maintain the condition and appearance of the vehicle(s) you use in operating the Franchised Business, and repair or replace the vehicle(s) as we may require, including any rebranding or rewrapping the vehicle(s) consistent with our requirements. If at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the vehicle(s) does not meet our then-current standards, we will so notify you, specifying the action you must take to correct the deficiency.

Computer Hardware and Software

You must purchase and use the computer system we designate, including all existing or future communication or data storage systems, components thereof and associated service, which we have developed and/or selected for the System (the "Computer System"). The Computer System developed for use in your Franchised Business may include one or more proprietary software programs or applications developed for us (the "Proprietary Software"). Currently, we require all franchisees to use the GarageView sales software, Hello Garage CRM, QuickBooks Online, Franchise Optics, and Microsoft Office 2013 Home & Business Edition [\(or at your option, Microsoft 365\)](#). You must license the GarageView sales software and the Hello Garage CRM from us, and you may obtain the other elements of the Computer System from any source, provided the Computer System meets our standards and specifications.

National Appointment Center

You must participate in our sales support center program (the “National Appointment Center”) where we or our affiliate will communicate with current and prospective customers on your behalf. We may cancel or modify the National Appointment Center at any time. Your Brand Services Fee includes the National Appointment Center services.

Bookkeeping Services

You must use our designated third party for bookkeeping services. Currently, we require you to use Franchise Resource. You must begin using them for bookkeeping services within 30 days of signing the Franchise Agreement. Currently, there is a monthly fee of \$595 paid directly to Franchise Resource for such bookkeeping services, but if your Franchised Business reaches \$2,000,000 in annual Gross Revenue, the following calendar year, you are no longer obligated to use Franchise Resource for bookkeeping services.

Marketing Materials

We send marketing materials (referred to as the “pre-mailer”) to a customer anytime you have an appointment with a customer, whether developed by the National Appointment Center or by you. We require you to pay us for the cost of these mailers, currently \$7.50 per mailing. We may increase the pre-mailer fee upon 30 days’ notice.

In addition, you must use Treehouse Marketing for digital marketing services. Amounts spent with Treehouse Marketing for digital marketing for your Franchised Business are credited towards your Minimum Local Advertising Spend Requirement.

Insurance

You must purchase and maintain for each Franchised Business you operate, at your expense, all insurance we require in the types and amounts described in the Manuals. Currently, these requirements include the following: (a) general liability insurance in the amount of \$1 million per occurrence and \$2 million in the aggregate; (b) product/completed operations insurance in the amount of \$2 million per occurrence; (c) personal and advertising injury insurance in the amount of \$1 million per occurrence; (d) commercial auto insurance in the amount of \$1 million per occurrence and \$2 million in the aggregate; (e) business interruption insurance in the amount of \$1 million; however, in the first 3 years of operations for start-up franchisees, we may approve lower amounts based on your estimated sales; (f) umbrella liability insurance in the amount of \$2 million per occurrence and \$2 million in the aggregate; and (g) all insurance required by law. In addition, we recommend cyber liability insurance in the amount of \$1 million per occurrence. All insurance policies will: (1) be issued by an insurance carrier(s) acceptable to us; (2) will name us and our affiliates as an additional insured; (3) contain a waiver of the insurance company’s right of subrogation against us; (4) contain the minimum insurance coverage we designate for each Franchised Business that you operate; and (5) provide that we will receive 30 days’ prior written notice of any material change in or termination, expiration or cancellation of any policy. We periodically may, with prior written notice to you, increase the minimum liability protection requirements, and require different or additional kinds of insurance to reflect inflation or changes in standards of liability. If you at any time fail to maintain in effect any insurance coverage we require, or to provide satisfactory evidence of such coverage, we, at our option, may obtain insurance coverage for you. You agree to promptly sign any applications or other forms or instruments required to obtain any insurance and pay to us, on demand, any costs and premiums we incur. You will provide us with copies of the certificate of insurance, insurance policy endorsements or other evidence of compliance with these requirements at

least 2 weeks before you commence operating the Franchised Business premises, and at such other times as we may require. In addition, you will provide to us a copy of the evidence of the renewal or extension of each insurance policy in a form we require.

Advertising and Promotional Approval

You will use only our approved advertising and promotional materials in promoting the Franchised Business, and we or our affiliates may be the sole supplier of the advertising and promotion materials. You may have to purchase some of the approved advertising and promotional materials, and we and our affiliates may be the sole supplier of the purchased materials. If you desire to use any advertising or promotional materials in promoting the Franchised Business which we previously have not approved, you must obtain written approval from us before using any such materials, which approval will not be unreasonably withheld. We typically approve advertising or promotional materials within 5 to 10 days of receipt of the proposed material. If we later determine that your advertising materials do not satisfy our then-current advertising and promotional standards, you must immediately cease using such materials upon written notice from us.

Supplier and Product Approval

In operating the Franchised Business, you will use only those types of materials, supplies, equipment, and signs that we have approved for Hello Garage businesses as meeting our specifications and standards for appearance, function and performance. We will provide you with lists of approved brands, manufacturers, suppliers and distributors (“Approved Suppliers List”) and approved products, equipment, vehicles, signs, supplies and other items necessary to operate your Franchised Business (“Approved Supplies List”). The lists specify the suppliers and the products and services which we have approved for use in the System. We may revise these lists and provide you with a copy of approved lists as we deem advisable. The Approved Suppliers List may list particular suppliers from which you must purchase certain supplies, products, equipment or other items for use in your Franchised Business. The Approved Supplies List may include specific brands or types of vehicles, supplies, equipment, or other items that you may buy from approved suppliers, or if there is no approved supplier for the item, from an unapproved supplier provided that the items conform to the standards and specifications we designate for the System. We, an affiliate, or a third-party vendor or supplier periodically may be one of or the only approved supplier for certain products, supplies, equipment, or other items. We are currently not a designated or approved supplier for any supplies, products, equipment, or other item needed to operate the Franchised Business, but we reserve the right to be a designated or approved supplier in the future. Our affiliate, Supportworks, is an approved supplier for marketing materials; floor coating systems; garage cabinet equipment; slatwall and related accessories; and certain other equipment, tools, and consumables.

If you want to use any unapproved material, supply, equipment, product or sign, or purchase any items from any supplier that we have not approved, you must first notify us in writing and must submit to us, at our request, sufficient information, specifications and samples for us to determine whether the services, material, supply, equipment, product or sign complies with our specifications and standards, or the supplier meets our approved supplier criteria. We will not provide you with a list of our criteria. We will notify you of our decision within 90 days following our receipt of all information requested. We reserve the right to charge an evaluation and/or testing fee (currently, not collected) in connection with this process. We may inspect the facilities and products of any supplier or approved item and revoke our approval of any item or supplier which fails to continue to meet any of our criteria. We will send written notice of any revocation of an approved supplier or supply. As part of the approval process, we may require that a proposed supplier sign a supplier agreement covering such items as insurance, product quality, trademark use, and indemnification. We do not provide material benefits to you based on your use of designated or approved sources.

We apply certain general criteria in approving a proposed supplier, including the supplier's quality and pricing of products, ability to provide products/services that meet our specifications, responsiveness, ability to provide products/services within the parameters required by the System, quickness to market with new items, financial stability, credit program for franchisees, success pricing, delivery terms, freight costs, and the ability to provide support to the System (merchandising, field assistance, education and training respecting sales and use of products and services).

Trade Show Booth

You must participate as a vendor in at least five trade shows or similar in person events per calendar year within all contiguous Protected Territories you own or as described in the Manuals. In person events include but are not limited to home and garden shows, boat shows, car club meet ups, farmers markets, craft fairs, hobby expos and county and state fairs. Before you attend your first trade show or similar in person event, you must purchase the hardware and marketing materials for your trade show booth. You may be required to purchase additional trade show booth hardware and marketing materials each year.

Miscellaneous

We may negotiate prices for numerous products for the benefit of the System, but not for any individual franchisee. We are not aware of any purchasing or distribution cooperative in the System. We attempt to receive volume discounts for the System.

As of December 31, ~~2022~~2023, Supportworks collected ~~\$3,841,086~~9,038,751 as a result of purchases of goods, products and services by franchisees and our affiliates, and remitted ~~\$387,190~~1,305,186 of such amount to us which was 26% of our total revenue of \$5,025,284 based on our audited financial statements attached as Attachment A. We also collected ~~\$6,136~~15,695 as a result of purchases of goods, products or services by franchisees or our affiliates, which was less than 1% of our total revenue of ~~\$3,656,833~~5,025,284 based on our audited financial statements attached as Attachment A.

We and our affiliates may derive revenue directly or in the form of rebates or other payments from suppliers, based on purchases made by our franchisees. In ~~2022~~2023, we received rebates and other payments ranging from 1% to 10% of payments made by franchisees.

One or more of our officers listed in Item 2 of this disclosure document have an ownership interest in our affiliate Supportworks.

We estimate that the purchase or lease of equipment (including the Computer System hardware and software), signs, products, vehicles, equipment, supplies and advertising and sales promotions materials which meet our specifications will represent approximately 70% to 85% of the total cost to develop the Franchised Business. We estimate that the purchase or lease of supplies, products, equipment and advertising and sales promotions materials which meet our specifications will represent approximately 50% to 75% of the total cost to operate your Franchised Business.

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 other items of this disclosure document.

Obligation		Section(s) in Franchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 2(A)	Item 11
b.	Pre-opening purchases/leases	Sections 4(A), 4(B), 5 and 10(A)	Items 7, 8 and 11
c.	Site development and other pre-opening requirements	Sections 5 and 6	Items 5, 7, and 11
d.	Initial and ongoing training	Sections 2(E), 3(B), 6, 15(C), and 15(D)	Items 7 and 11
e.	Opening	Sections 5(A) and 5(E)	Items 5 and 11
f.	Fees	Sections 2(D), 3(B), 4, 5(C), 6, 10(C), 10(K), 10(L), 11, 13(C) and 15(C)	Items 5, 6 and 7
g.	Compliance with standards and policies/operating manual	Sections 4(E), 5, and 10	Items 11 and 16
h.	Trademarks and proprietary information	Sections 1(A) and 7	Items 13 and 14
i.	Restrictions on products/services offered	Sections 2(B), 5, 6(F), and 10	Items 8 and 16
j.	Warranty and customer service requirements	Section 10	Item 11
k.	Territorial development and sales quota	Section 2	Item 12
l.	Ongoing product/service purchases	Sections 5 and 10	Items 8 and 11
m.	Maintenance, appearance and remodeling requirements	Sections 3(B), 5(A), 5(B), 10(A) and 10(E)	Item 11
n.	Insurance	Section 10(H)	Items 6, 7 and 8
o.	Advertising	Sections 5(K) and 11	Items 6, 7 and 11
p.	Indemnification	Sections 4(J) and 9	None
q.	Owner's participation/management/staffing	Section 10(G)	Items 11 and 15
r.	Records/reports	Section 12	Item 6
s.	Inspections/audits	Section 13	Item 6
t.	Transfer	Section 15	Items 6 and 17
u.	Renewal	Section 3	Items 6 and 17

	Obligation	Section(s) in Franchise Agreement	Disclosure Document Item
v.	Post-termination obligations	Sections 9, 14 and 18	Item 17
w.	Non-competition covenants	Section 14(C)	Item 17
x.	Dispute resolution	Sections 19 and 20	Item 17

ITEM 10

FINANCING

We do not offer any direct or indirect financing. We do not guarantee your note, lease or obligation, nor do we receive payment or other consideration for the placing of financing.

ITEM 11

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

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

Pre-Opening Assistance

Before you open your Franchised Business, we will:

- (1) Approve your Operating Manager and Designated Owner (Franchise Agreement – Sections 1(C) and 1(G)).
- (2) Designate your Protected Territory (Franchise Agreement – Section 2(A)).
- (3) Provide you with a written list of our approved and designated supplies and suppliers, including for equipment, signs, inventory and supplies (Franchise Agreement – Section 5(C) and 10(C)). We do not provide these items to you or deliver/install them, but you will purchase inventory from our affiliate, Supportworks.
- (4) Provide the initial training programs described below (Franchise Agreement – Section 6(A)).
- (5) Provide to you access to the confidential Manuals. You must keep the Manuals confidential and discontinue using it when the Franchise Agreement terminates (Franchise Agreement – Section 6(F)).
- (6) Before the opening of your Franchised Business, make a representative available to you to assist in the opening of your Franchised Business (Franchise Agreement – Section 6(B)).

Ongoing Assistance

During the operation of your Franchised Business, we will:

- (1) Operate the Designated Accounts program (Franchise Agreement – Section 2(D)).

- (2) Provide advisory services relating to Franchised Business operations, including the products and services offered for sale from the Franchised Business; selecting and purchasing supplies, equipment, and materials; employee relations; marketing assistance and sales promotion programs; and operating, administrative and general operating procedures. We will provide such guidance through our Manuals, bulletins or other written materials, telephone conversations and/or meetings at our office or at the Franchised Business (Franchise Agreement – Section 6(D)).
- (3) Periodically provide you with updated and revised materials for the Manuals (Franchise Agreement – Section 6(F)).
- (4) Provide such additional assistance and training that we deem appropriate (Franchise Agreement – Sections 6(C) and 6(E)).
- (5) For as long as we deem appropriate, we will provide you National Appointment Center services. (Franchise Agreement Section 10(L)).
- (6) We may, but are not required to, provide you with assistance in setting pricing.

Hello Garage Advertising

You will spend the Minimum Local Advertising Spend Requirement on “approved” advertising and promotional activities in each Protected Territory. Advertising and promotional activities are considered “approved” if they are included in our recommended media plan for the Franchised Business (if applicable) and otherwise comply with our marketing and advertising requirements in the Manuals. On or before 45 days following the end of the applicable calendar year, you will provide us with an accounting of the funds that you spent on local advertising during the preceding calendar year. If you fail to spend the Minimum Local Advertising Spend Requirement in each Protected Territory during the previous calendar year on approved local advertising, you will pay us the difference between the Minimum Local Advertising Spend Requirement and what you actually spent for approved advertising during the calendar year. We will use that amount to pay expenses we incur in connection with the general support of the franchise system and such amounts may not be spent in your Protected Territory. During the first calendar year, you must spend a pro rata portion of the Minimum Local Advertising Spend Requirement on approved local advertising.

We do not have an advertising or advisory council composed of franchisees that advise us on advertising policies, but we reserve the right to form a council and the rights of that council in the future. As of the issuance date, we do not require you to participate in an advertising cooperative. We also do not have a marketing fund and you are not required to contribute to a marketing fund, but we reserve the right to create a marketing fund in the future. We are not required to spend any money in your Protected Territory for marketing purposes.

You will use only our approved advertising and promotional materials in promoting the Franchised Business. If you desire to use any advertising or promotional materials in promoting the Franchised Business which we previously have not approved, you must obtain written approval from us before using any such materials, which approval will not be unreasonably withheld. We typically approve advertising or promotional materials within 5 to 10 days of receipt of the proposed material. If we later determine that your advertising materials do not satisfy our then-current advertising and promotional standards, you must immediately cease using such materials upon written notice from us.

Marketing Materials

We or our affiliates send marketing materials (the “pre-mailer”) to a customer anytime you have an appointment with a new customer, whether developed by the National Appointment Center or by you. We require you to reimburse us for the cost of these marketing materials, currently \$7.50 per mailing. We may increase the pre-mailer fee upon 30 days’ notice.

Trade Show Booth

You must participate as a vendor in at least five trade shows or similar in person events per calendar year within all contiguous Protected Territories you own or as described in the Manuals. In person events include but are not limited to home and garden shows, boat shows, car club meet ups, farmers markets, craft fairs, hobby expos and county and state fairs. Before you attend your first trade show or in person event, you must purchase the hardware and marketing materials for your trade show booth. You may be required to purchase additional trade show booth hardware and marketing materials each year, as outlined in the Manuals. The costs for the trade show booth marketing materials and any other costs you incur to participate in the trade show or similar event, except the trade show booth hardware, will count towards your Minimum Local Advertising Spend Requirement.

Computer System

You must use in your Franchised Business the Computer System. We periodically may update or change the Computer System in response to business, operations, marketing conditions, or changes in technology. Currently, we estimate that the initial cost of the Computer System hardware will range from \$0 to \$4,000.

Currently, the Computer System includes a computer laptop, printer/scanner, GarageView sales software, Hello Garage CRM, QuickBooks Online, Microsoft Office 2013 Home & Business Edition (or at your option, Microsoft 365), and such other hardware and software as we designate. You will be required to purchase proprietary software from us or a third party we designate and update any proprietary software at any time during the term of the Franchise Agreement. Currently, you must license the GarageView sales software and Hello Garage CRM from us and pay us the license fee. At the time you sign the Franchise Agreement, you will sign the Form Software as a Service Agreement attached here at Attachment I for the use of the GarageView sales software and Hello Garage CRM. Currently, you must pay us a one-time onboarding fee of \$175. Additionally, you will pay us an ongoing fee of \$65 per month for each sales license of the GarageView sales software and \$125 per month for access to the Hello Garage CRM. In addition, each of your employees must use a Hello Garage email address and you must pay us \$11 per person per month for such email addresses.

You are required to add Franchise Optics to your QuickBooks as an administrator. There is no charge to you for Franchise Optics for one license. If you require additional licenses, you must pay us an additional fee per license, currently \$75 per additional license.

We may independently access financial information and customer data produced by or otherwise located on your Computer System (collectively the “Customer Data”). We periodically will establish policies respecting the use of the Customer Data. There is no limit to our ability to access Customer Data.

You may be required to obtain ongoing maintenance and repairs respecting the Computer System, as well as upgrades or updates respecting the Computer System, and there are no contractual limitations on our right to require you to maintain and repair the Computer System. You must

incorporate these upgrades and updates to the Computer System, and we estimate they will cost between \$0 to \$1,000 per year.

Site Selection

You must locate the site for operation of the Franchised Business. We estimate that you will initially need a minimum of 500 square feet of temperature-controlled product storage space to operate the Franchised Business, and an additional 300 square if you will park a vehicle inside a garage. You may either lease a space for the Franchised Business or operate the Franchised Business from a home office provided that there is a dedicated office space within the residence. You also must secure the rights to a storage space that meets our standards and requirement, and this space may be a residence if storage of the equipment and inventory is permitted by applicable law. The location for the Franchised Business will be identified in Exhibit A to the Franchise Agreement. If you fail to identify the site for your office and storage space for the Franchised Business, we may reduce your Protected Territory or terminate the Franchise Agreement. Generally, we will not own the premises and lease it to you for the Franchised Business or any storage space.

Development Time

The typical length of time between your signing of the Franchise Agreement (or the first payment of consideration for the franchise) and the opening of your Franchised Business varies from 30 to 90 days. This period may be longer or shorter, depending on the time of year, availability of financing, how soon you can attend training, or other factors. You must complete development, attend the initial training in-person, and open your Franchised Business within 90 days following the date of the Franchise Agreement. If you do not open your Franchised Business within the 90-day time period, we may terminate the Franchise Agreement.

Training

We will provide the initial training program to your Designated Owner and Operating Manager (or if your Designated Owner is your Operating Manager, then you may include additional managers or employees to attend) and your sales employee(s) can attend sales training at the same time. We will not charge a training fee for your Designated Owner and Operating Manager (or other approved manager or employee) and your sales employee(s) to attend the initial training program, but you are responsible for any costs incurred to attend the in-person component. We plan to offer our initial, in-person component of the training program as often as needed, and space may be limited based on the number of attendees.

The initial training program is multi-faceted. First, your Designated Owner and Operating Manager (or other approved managers or employees) and sales employee(s) will take computer-based training courses from your Franchised Business' office, or another location you prefer. The virtual portion includes required kick-off ~~call~~/scalls with an onboarding coach and assignments prior to and after coming to the on-site training. Second, after completing the required pre-training, your Designated Owner and Operating Manager (or other approved managers or employees) will attend in-person training in Papillion, Nebraska, or such other location that we designate ("101 Training"). 101 Training includes instruction relating to the Franchised Business operations, services offered, customer service, marketing and sales programs. Third, once you complete 101 Training, your Designated Owner and Operating Manager (or other approved managers or employees) will complete additional computer-based training courses from your Franchised Business' office, or another location you prefer. This second virtual portion includes required assignments, phone calls and webinars that provide follow-up instruction on the 101 Training courses. These training modules, phone calls or webinars, and the on-site training, are collectively referred to as the "Initial Training Program." Depending on your level of experience, we may reduce the amount of training you must complete before you open your Franchised Business.

During the first year the Franchised Business is operating, your Designated Owner and Operating Manager (or other approved managers or employees) will attend an additional 2 to 4 days of in-person training in Papillion, Nebraska, or such other location that we designate (“201 Training”). 201 Training includes instruction relating to leadership, marketing, sales, customer service, and more.

You may not open your Franchised Business unless your Designated Owner and Operating Manager (or other approved managers or employees) successfully complete the Initial Training Program and other required training to our satisfaction. The Initial Training Program generally consists of the following:

TRAINING PROGRAM

Pre-101 Training Courses			
Topic	Hours of Classroom Training	Hours of On-the-Job Training	Location
A Basic Introduction to Hello Garage (Onboarding Check-ins , Webinars , Learning Center , Hello Garage Marketing Basics Hub)	1.5 hours 5 hours	- -	Your office Your office
Sales Production Basics and Presenting with Garage View	1 hour	-	Your office
Production Basics	1.5 hours	-	Your office
Production Installation Basics	2.5 1.5 hours		
Pre-Training Webinar Total Time	7.5 hours	0 hours	
101 Training			
Topic	Hours of Classroom Training	Hours of On-the-Job Training	Location
Company Overview, Purpose/Mission/ Values, the Remarkable Experience Journey	.5 hour	-	Papillion, NE
Installation Overview	.5 hour	-	Papillion, NE
Jobsite Visit	1 hour	-	Papillion, NE
Marketing Basics	2.5 hours 1.5 hour	-	Papillion, NE
CRM Overview and Setup	1 hours	-	Papillion, NE
Customer Care	1 hour	-	Papillion, NE
Leadership, Recruiting and Culture Product Basics	3.5 1.5 hours	-	Papillion, NE
Sales Process Basics and GarageView Software	4 1.5 hours	-	Papillion, NE
CRM Overview	1 hour	-	Papillion, NE
National Appointment Center Overview	.5 hour	-	Papillion, NE
Building & Managing your Team	1.5 hours	-	Papillion, NE
Accounting Basics	1 hours hour	-	Papillion, NE
Production	2 hours	-	Papillion, NE
Resources and Future Support	.5 hour	-	Papillion, NE
Installation Training (Slatwall & Cabinets) Business Coaching	-1.5 hours	2 hours	Papillion, NE
Installation Training (Flooring)	-	4 hours	Job Site
101 Training Total Time	22 25.5 hours	60 hours	

Post-101 Training Courses			
Topic	Hours of Classroom Training	Hours of On-the-Job Training	Location
Recruiting & Hiring Considerations <u>Business Management Training (Webinars, Learning Center, Hello Garage Hub)</u>	24 hours	-	Your office
The National Appointment Center's Roles & Responsibilities <u>Sales Training Basics</u>	54 hours	8 hours	Your Office / <u>Sales Appointment</u>
CRM <u>Installation Training Basics</u>	152 hours	22 hours	Your Office / <u>Job Site</u>
Accounting Basics	1.5 hours	-	Your office
Effective Scheduling	1 hour	-	
Post-101 Training Webinar Total Time	6.510 hours	030 hours	
201 Training			
Topic	Hours of Classroom Training	Hours of On-the-Job Training	Location
Welcome & Franchisee Successes	.5 hour		Papillion, NE
<u>Business Analysis & Review</u>	<u>3</u> hour		<u>Papillion, NE</u>
The Right Mindset and Model and Activity	2.5 hours		
Marketing	2 hours <u>1</u> hour	-	Papillion, NE
Leadership and Coaching	2 hours <u>1</u> hour	-	Papillion, NE
<u>Accounting</u>	<u>1</u> hour	-	<u>Papillion, NE</u>
Sales	6 hours <u>1</u> hour	-	Papillion, NE
<u>Production</u>	<u>1</u> hour		<u>Papillion, NE</u>
Production <u>Business Management Training</u>	152 hours	-	Papillion, NE
201 Training Total Time	14.510.5 hours	0 hours	
Grand Total Training Hours	5053.5 hours	630 hours	

- (1) The instructional materials for the initial training program include the Manuals and the Learning Center course content.
- (2) The trainings will take place at the locations stated above, or at a location we determine in our sole discretion.

It is our recommendation that your production employees come to Omaha, Nebraska for classroom and field training the week before your first installation week. They will learn truck and equipment maintenance, techniques, how to install all products, and more. They will also perform paid installations under supervision of a production coach.

- (3) Tammy Olson, our Director of Instructional Design, is in charge of the initial training program. Ms. Olson has been with Supportworks and Thrasher for ~~7~~8 years. In addition, the following individuals will be involved in the training program:

Trainer and Role	Years of Experience in Subject Taught	Trainer and Role	Years of Experience in Subject Taught
		Kraig Schjodt, Business Coach	11 12 years
Dustin Selzer, Sales Coach	1-year 2 years	Lori Matthai, Onboarding Coach	1-year 2 years

Nick Rucker, Production Coach	5 years	Jaimie Esquivel, Senior Business Coach	2 years
Anne Heibel, Controller Nick Rucker, Production Coach	6 years	Tammy Olson, Director of Instructional Design	15 16 years
Laura Moore, Marketing Coach Anne Heibel, Controller	9 7 years	Liz Barnhart, Marketing Coach	6 7 years
Grant Wragge, Sales Laura Moore, Marketing Coach	10 10 years	Erin Trampe, Sales Coach	10 11 years
Ryan Castle, Production Grant Wragge, Sales Coach	3 2 years	Bryan Miller, Production Coach	4 5 years

- (4) We may change any in-person training to virtual training at any time.

We do not charge a fee for the Designated Owner(s) and additional employees to attend the Initial Training Program described above. If we require, or you would like us to provide the Initial Training Program to any additional individuals, no fee will be charged; however, it may be subject to space limitations. You are solely responsible for all compensation, travel, lodging and living expenses that you and your designees incur while attending the Initial Training Program in-person and any supplemental or refresher training programs.

After you open your Franchised Business, we may require that you (or if you are an entity, the Designated Owner and Operating Manager) and/or such other managers or employees we designate to attend, or when available, participate by Internet in, such supplemental and refresher training programs we designate. We currently do not charge for additional or required ongoing training, but we reserve the right to charge for additional and ongoing training in the future.

Additionally, we will provide an initial on-site training visit at an agreed upon time around your opening. We may also provide additional on-site training and operating assistance during the term of the Franchise Agreement. If we provide you with additional on-site training and/or operating assistance, we will charge you \$1,000 per trip that we or our employees make to provide the additional training or assistance, plus any costs associated with product materials and equipment.

Conferences

We host an annual meeting of Hello Garage businesses (the “Summit”) where you have the opportunity to network with other Hello Garage businesses and learn new skills. You must pay the Summit registration fee for at least two people to attend the Summit. The Summit registration fee is currently \$500 per attendee, plus costs and expenses. You must pay the Summit registration fee for two people, even if you fail to attend the Summit, to cover the costs and expenses we incur to provide you with the opportunity to attend the Summit.

Manuals

During the term of the Franchise Agreement, we will allow electronic access to our manuals, [bulletins, guidelines, and other system communications](#) (the “Manuals”). There are currently 228 pages in the Manuals. The current table of contents of the Manuals, as of the Effective Date of this Disclosure Document, is attached as Attachment G.

ITEM 12 TERRITORY

You will receive one or more contiguous Protected Territories when you sign the Franchise Agreement. Each Protected Territory will include up to approximately 75,000 qualified single-family households, which will be determined by a number of factors including, but not limited to, a commute of approximately an hour throughout the territory.

The location of the Franchised Business and the Protected Territory(ies) will be identified in Exhibit A to the Franchise Agreement. You may either lease a space for the Franchised Business or operate the Franchised Business from a home office provided that there is a dedicated office space within the residence. Regardless of whether you lease a space for the Franchised Business or operate the Franchised Business from a home office: (i) the Franchised Business premises must be located inside the Protected Territory, (ii) the Franchised Business premises must meet our standards and requirements, and (iii) the storage space must meet our standards and requirements. As described further below, maintenance of your Protected Territory(ies) is dependent upon achieving certain minimum performance requirements and other contingencies.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. During the term of the Franchise Agreement and provided you comply with the Franchise Agreement, we will not place, or grant a third party the right to place, another Hello Garage business inside the Protected Territory, except as described below. Unless we otherwise expressly authorize in writing, the Marks licensed to you under the Franchise Agreement: (i) may not be used at any location other than the Franchised Business, and (ii) may be used in connection with a vehicle we authorize, provided the vehicle is only used inside the Protected Territory. You may not sell products or services identified by the Marks at any location other than at or from the Franchised Business or from a vehicle that we approve that is operated solely inside the Protected Territory without obtaining our prior written consent. Except as expressly allowed in the Franchised Agreement, you must concentrate your advertising and marketing efforts within your Protected Territory.

We (for ourselves and our affiliates) retain all rights not expressly granted to you in the Franchise Agreement, including the right:

1. to operate, or to grant other persons the right to operate, Hello Garage businesses at locations outside the Protected Territory (except to the extent we may be restricted under a separate Hello Garage franchise agreement to which you are a party);
2. to service customers or offer products or services, or to grant other persons the right to service customers or offer products or services, located inside or outside the Protected Territory under any trademarks except for the Marks; *provided*, that we will not authorize any distributor to provide the full offering of products and services offered at or from your Franchised Business, except as a result of a merger or acquisition as described below;
3. to sell products, equipment, and other materials under the Marks or other trademarks through dissimilar channels of distribution (i.e., other than the operation of a Hello Garage business), including by electronic means such as the Internet and by websites we establish, or through retail locations within and outside the Protected Territory;
4. to merge with, acquire, be acquired, or become associated with any businesses of any kind under other systems and/or other marks, which businesses may convert to or operate

under the Marks or other trademarks and may offer or sell products and services that are the same as or similar to the products and services offered at or from your Franchised Business, and which may be located anywhere inside or outside the Protected Territory;

5. to provide services to Designated Accounts as described further below; and

6. to advertise the System on the Internet (or any other existing or future form of electronic commerce) and to create, operate, maintain, and modify, or discontinue the use of a website using the Marks.

We are not required to pay you any compensation if we exercise any of these rights.

In addition to the reserved rights outlined above, we or our affiliates have the right to sell and enter into agreements with Designated Accounts, both inside and outside the Protected Territory. A “Designated Account” are those customers or accounts we designate as desiring central billing accounts or that have at least 20 locations, and such locations are located in more than one franchised or company-owned territory or market. You must participate in any regional or national accounts program (the “Designated Accounts Program”) we designate and comply with the terms of the Designated Accounts Program as described in the Manuals or as we otherwise describe in writing. We will establish the rules under which you will participate, and be compensated for participation, in the Designated Accounts Program. We may terminate, modify or replace the Designated Accounts Program at any time. We have the right to service a Designated Account or grant a third party (including another Hello Garage franchisee) the right to service a Designated Account in your Protected Territory for all of the following reasons: (i) you are in default of the Franchise Agreement; (ii) the Designated Account objects to you providing the services; (iii) you fail to timely notify us of your acceptance of the Designated Account business; or (iv) you cannot or will not service the Designated Account business for any reason.

If a Designated Account contacts you directly, you must refer the Designated Account to us within 2 business days. We will negotiate all contracts with Designated Accounts, and you will not have any right to negotiate any contract or provide services to the Designated Account without our express written consent.

You may not, unless in connection with other Hello Garage franchisees and with our consent, market or advertise in telephone or similar online directories that directly target areas outside of your Protected Territory or establish a mailing address for your Franchised Business or make other representations to potential customers that would lead others to believe that you have facilities or authorization to operate outside the Protected Territory.

Finally, if neither we nor another franchisee operates in an area adjacent to your Protected Territory, then upon your receipt of our prior written consent, you may advertise, market and/or service commercial or residential customers located outside of your Protected Territory. In those instances, we reserve the right to require you, in the future, to cease all direct advertising and marketing efforts to those customers located outside your Protected Territory, and we reserve the right to require you to purchase the area adjacent to your Protected Territory in order to continue servicing that area upon written notice to you.

The rights we have granted to you under the Franchise Agreement are dependent on your achieving the following minimum performance requirements per Protected Territory regarding the Gross Revenue collected from customers located within each Protected Territory during each reporting year following your Opening Date (referred to as the “Minimum Performance Requirement Per Protected Territory”):

Time Period	Annual Gross Revenue Minimum Performance Requirement Per Protected Territory
Third Calendar Year	\$250,000
Fourth Calendar Year	\$350,000
Fifth Calendar Year and Subsequent Calendar Years	\$450,000

There is no Minimum Performance Requirement Per Protected Territory for the calendar year of your Opening Date (first calendar year) or the calendar year following the Opening Date (second calendar year). Your “Opening Date” is the earlier of: (a) the date you begin operations of your Franchised Business; or (b) 90 days following the Effective Date of the Franchise Agreement. If you fail to meet the [Minimum Performance Requirement](#) Per Protected Territory in any subsequent reporting year, we have the right, but are not required, to: (i) reduce the size of the Protected Territory; (ii) require you or your Operating Manager to attend training at your cost and expense; or (iii) terminate the Franchise Agreement.

You must participate as a vendor in at least five trade shows or similar in-person events each calendar year. You may only participate in trade shows, or similar in-person events located within your Protected Territory, but if you desire to participate in a trade show or similar in-person event located outside your Protected Territory, then you must obtain our prior written consent, which we may reasonably withhold, at least 30 days before the event. Other Hello Garage franchisees may attend trade shows or similar in-person events within your Protected Territory without compensation to you. We only permit one Hello Garage® booth per trade show, so if you and another Hello Garage franchisee desires to attend the same trade show, you must coordinate the trade show booth with the other Hello Garage franchisee(s). Any leads generated at a trade show where two or more Hello Garage® franchisees shared a booth, the lead will be allocated back to the appropriate territory.

You may relocate your Franchised Business only with our written consent, which we will not unreasonably withhold. If we permit you to relocate your Franchised Business, you will need to build out the Franchised Business consistent with our then-current standards for new Franchised Businesses.

You have no right of first refusal or similar rights to acquire additional franchises.

Neither we nor any affiliate operates, franchises, or has any current plans to operate or franchise any business selling the products and services authorized for sale at Hello Garage Franchised Businesses under any other trademark or service mark.

ITEM 13

TRADEMARKS

We grant you the right to operate your Franchised Business under the service mark Hello Garage as well as other trademarks, service marks, trade names, domain names, logos and other commercial symbols we may use and register in the future for the System (collectively, the “Marks”).

The following schedule lists only the principal Marks that you are licensed to use under the Franchise Agreement. We have filed all required affidavits and renewals for the Marks listed below.

Trademarks	Registration Dates	Registration Numbers	Principal / Supplemental Register
HELLO GARAGE	Reg. 8/11/2020 Reg. 3/16/2021 Reg. 2/9/2021	Reg. No. 6126359 Reg. No. 6296344 Reg. No. 6267782	Principal
HELLO GARAGE Design	Reg. 8/11/2020 Reg. 3/16/2021 Reg. 2/9/2021	Reg. No. 6126385 Reg. No. 6296355 Reg. No. 6267803	Principal
H Design*	Reg. 5/18/2021 Reg. 4/6/2021 Reg. 5/18/2021	Reg. No. 6356951 Reg. No. 6316637 Reg. No. 6356952	Principal
OPEN UP THE POSSIBILITIES.*	Reg. 11/24/2020	Reg. No. 6204688	Principal

We have federally registered trademarks for several of the marks listed above. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We have the right to periodically change the list of Marks. Your use of the Marks and any goodwill is to our exclusive benefit, and you retain no rights in the Marks. You also retain no rights in the Marks when the Franchise Agreement expires or terminates. You are not permitted to make any changes or substitutions respecting the Marks unless we direct so in writing. You may not use any Marks or portion of any Marks as part of any corporate or any trade name, or any modified form or in the sale of any unauthorized product or service, or in any other unauthorized manner. We retain the sole right to advertise the System on the Internet and to create, operate, maintain, and modify, or discontinue the use of, a website using the Marks. You have the right to access our website. Except as we may authorize in writing, however, you will not: (1) link or frame our website; (2) conduct any business or offer to sell or advertise any products or services on the Internet (or any other existing or future form of electronic communication); (3) create or register any Internet domain name in any connection with your Franchised Business; and (4) use any e-mail address which we have not authorized for use in operating the Franchised Business. You will not register, as Internet domain names, any of the Marks or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar. Further, you may not market, advertise or promote your Franchised Business or conduct any business on the Internet, including using social and professional networking sites to promote your Franchised Business, except as provided in our written social media policy (if any) or with our prior written approval. We will set up, own, and have administrative rights to any social and professional networking sites that you use in your Franchised Business.

There are currently no effective material determinations by the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation,

involving the Marks that are relevant to your use in any state. There are currently no agreements in effect that significantly limit our rights to use or license the use of any Marks in any manner material to the franchise.

You must immediately notify us of any apparent infringement of or challenge to your use of any Marks, and we have sole discretion to take any action we deem appropriate. We are unaware of any infringing uses or superior rights that could materially affect your use of the Marks.

We reserve the right to modify or discontinue use of any Mark, or to use one or more additional or substitute trademarks or service marks. In such event, you will, at your expense, comply with such modification or substitution within a reasonable time after we notify you.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense or indemnify you. We reserve the right to control any litigation relating to the Marks and we will have the sole right to decide to pursue or settle any infringement actions relating to the Marks. You must notify us promptly of any infringement or unauthorized use of the Marks of which you become aware. If we determine that a trademark infringement action requires changes or substitutions to the Marks, you will make these changes or substitutions at your own expense.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents, pending patent applications or copyrights currently registered that are material to the franchise. We do claim copyright ownership and protection for the Manuals and for certain other written materials we provide to assist you in operating your Franchised Business.

We own certain proprietary or confidential information relating to the operation of Franchised Businesses, including information in the Manuals (“Confidential Information”). You will not acquire any interest in the Confidential Information, other than the right to use it in developing and operating the Franchised Business. Your use or duplication of the Confidential Information in any other business constitutes an unfair method of competition. The Confidential Information is proprietary, is our trade secret, and is disclosed to you solely on the condition that you agree that you: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of the Franchise Agreement; (3) will not make unauthorized copies of any Confidential Information disclosed in written form; (4) will adopt and implement all reasonable procedures we direct to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to Franchised Business employees; and (5) will require all Operating Managers and other employees with access to Confidential Information to sign such an agreement in a form we approve. You must notify us immediately if you learn of an unauthorized use of the Confidential Information. We are not obligated to take any action and we will have the sole right to decide the appropriate response to any unauthorized use of the Confidential Information. You must comply with all changes to the Manuals at your cost. We may access Customer Data produced by or otherwise located on your Computer System. We periodically will establish policies respecting the use of the Customer Data.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Franchised Business must at all times be under the direct supervision of a Principal Owner who we have approved and who has satisfactorily completed our initial training program. If there is more than one Principal Owner, the Principal Owners must designate (in writing) one Principal Owner who will oversee the Franchised Business operations and represent you in interacting with us (the “Designated Owner”).

You also must hire an Operating Manager, who we approve, who is responsible for the day-to-day operation of the Franchised Business. The Designated Owner and Operating Manager may be the same person. If the Designated Owner and Operating Manager are not the same person, the Designated Owner still must oversee the Franchised Business but is not required to be involved in the day-to-day operation of the Franchised Business. If the franchisee is an entity, the Operating Manager is not required to be an owner or have an equity interest in you.

The Operating Manager assumes his/her responsibilities on a full-time basis and may not engage in any other business or other activity that requires any significant management responsibility, time commitments, or otherwise may conflict with his/her obligations. Unless you receive our prior written consent, the franchisee entity (or you if you sign the Franchise Agreement as an individual) may not engage in any business or activities other than the ownership and operation of Franchised Businesses under Franchise Agreements that we grant.

Each individual who owns a 10% or greater interest in the franchisee entity is considered a “Principal Owner” and must sign the Guaranty and Assumption of Obligations Agreement attached as Exhibit C to the Franchise Agreement. These people agree to discharge all obligations of the franchisee entity to us under the Franchise Agreement and are bound by all of its provisions, including maintaining the confidentiality of Confidential Information described in Item 14 and complying with the non-compete covenants described in Item 17. In addition, all Operating Managers, and other employees with access to Confidential Information, must sign a written agreement to maintain the confidentiality of our Confidential Information described in Item 14.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell in your Franchised Business all and only those products and services that we have approved. We may add new products or services that you must offer at your Franchised Business, and you must begin offering that new product or service within 30 days after we launch it. Our right to modify the approved list of goods and services to be offered at a Franchised Business is not limited. You will immediately cease selling products, and offering or performing services, we no longer approve, and you agree to begin offering new or modified products and services within the time period(s) we describe in the Manuals.

Neither you nor your affiliates may offer any concrete or foundation services, including concrete leveling, foundation repair, or below grade water proofing. All such concrete or foundation services must be referred to our affiliate’s Supportworks distribution network (which may include your affiliate if your affiliate is part of such Supportworks distribution network).

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision		Section in Franchise or Other Agreement	Summary
a.	Length of the franchise term	Section 3(A)	10 years
b.	Renewal or extension of the term	Section 3(B)	1 additional term of 10 years
c.	Requirements for you to renew or extend	Section 3(B)	Advance notice, compliance with Franchise Agreement and brand standards, Principal Owner satisfactorily completes refresher training, sign then-current form of franchise agreement (which may have materially different terms and conditions as the Franchise Agreement), pay fee, sign general release, upgrade/modernize the Franchised Business.
d.	Termination by you	Section 17	If you comply with the Franchise Agreement, and we fail to cure a material provision within 60 days after written notice (subject to state law).
e.	Termination by us without cause	<i>Not Applicable</i>	<i>Not Applicable</i>
f.	Termination by us with cause	Sections 16	Only if you default.
g.	“Cause” defined – curable defaults	Sections 16(A) and (B)	You have 30 days to cure if you fail to: open the Franchised Business when required, complete training, comply with System standards, comply with the Minimum Performance Requirement Per Protected Territory, timely pay any fees or liabilities, keep accurate financial statements, or if you violate any material provision of the Franchise Agreement. You have 10 days to cure any monetary default.
h.	“Cause” defined – non-curable defaults	Sections 16(A) and (B)	Failure on 3 or more occasions in any 12 months to comply with any provision, default which is not curable, repeatedly deceive Franchised Business customers, material misrepresentation or omission on franchise application, conviction of or proof that you have committed a felony or other crime which harms the Franchised Business’s reputation, bankruptcy, insolvency, an assignment of assets to creditors, Franchised Business abandonment (including failure to conduct a scheduled appointment or installation for 7 consecutive days, failure to spend at least \$1,000 on digital marketing in a month, or failure to collect at least \$10,000 in Gross Revenue from customers in a month without written notice and approval), defaults which injure the goodwill associated with the Marks, use of unapproved website or other unauthorized conduct on the Internet, unauthorized assignment of agreement or interest in Franchised Business,

Provision		Section in Franchise or Other Agreement	Summary
			intentionally falsify any information provided to us, eviction or lose of lease of Franchised Business, and disclosure of Confidential Information to third-party.
i.	Your obligations on termination/nonrenewal	Section 18	Pay all amounts due us, pay us a non-refundable fee equal to 3% of your total Gross Revenue in the last 24 months to cover potential customer complaints related to work you performed; stop using and return the Manuals and other materials, assign to us the Franchised Business telephone number and telephone listing or (at our option) disconnect the telephone number, cease using and assign to us all email addresses and social media accounts, remove all signs and other materials containing any Marks, cease using our proprietary software, cancel all fictitious or assumed name filings, and cease using and return to us all Confidential Information and Customer Data, agree not to divert Franchised Business customers to any competing business for 2 years and redecorate the Franchised Business premises (also see o, r below).
j.	Assignment of contract by us	Section 15(A)	Assignee must fulfill our obligations under the Franchise Agreement.
k.	“Transfer” by you-defined	Section 15(C)	Includes transfer of Franchised Business or its assets, or your interest in the Franchise Agreement or an ownership interest of 10% or more change.
l.	Our approval of transfer by franchisee	Section 15(B), (C) and (D)	We have the right to approve all transfers of the Franchise Agreement but will not unreasonably withhold approval.
m.	Conditions for our approval of transfer	Section 15(C)	All amounts owed us, our affiliates and vendors are paid, transferee meets our qualifications for a new franchise, transferee signs our then-current franchise agreement, transferee completes required training, lease assigned (if applicable), pay transfer fee, you sign a non-compete agreement and general release, we approve material provisions of the purchase agreement between you and transferee.
n.	Our right of first refusal to acquire your business	Section 15(F)	We can match any offer for your business.
o.	Our option to purchase your business	Section 18(B)	When the Franchise Agreement expires or terminates, we may purchase assets at book value.
p.	Your death or disability	Section 15(D)	Franchise must be assigned by estate to an approved buyer within reasonable time not exceeding 12 months.
q.	Non-competition covenants during the term of the franchise	Section 14(B)	No involvement in any construction or commercial business that is competitive with a Hello Garage business. Neither you nor your affiliates may offer any concrete or foundation services, including concrete leveling, foundation repair, or below grade water proofing. All such concrete or foundation services must be referred to our affiliate’s Supportworks distribution network (which may include your affiliate, if your affiliate is part of such Supportworks distribution network).
r.	Non-competition covenants after the franchise is terminated or	Section 14(C)	No involvement in any construction or commercial business that is competitive with a Hello Garage business for two years within your Protected Territory; from the Franchised Business premises; within

Provision		Section in Franchise or Other Agreement	Summary
	expires		50 miles from the outside boundary of your Protected Territory; or within the protected territory of another Hello Garage franchisee.
s.	Modification of the agreement	20(D)	No modifications to the Franchise Agreement, except in writing. We may modify Manuals, Marks, System and goods/services to be offered to your Franchised Business.
t.	Integration/merger clause	Section 20(J) and 20(K)	Only the terms of the Franchise Agreement, Exhibits A, B and C of the Franchise Agreement, the Software as a Service Agreement, the Disclosure Acknowledgement Agreement, and the applicable state-specific addendum (if any) are binding (subject to state law). Any other promises may not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u.	Dispute resolution by arbitration or mediation	<i>Not applicable</i>	<i>Not applicable</i>
v.	Choice of forum	Section 19(A)	Litigation must be brought in a federal or state court located in Douglas County, Nebraska (subject to state law).
w.	Choice of law	Section 19(A)	The laws of the state of Nebraska apply (subject to state law).

ITEM 18

PUBLIC FIGURES“

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

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS“

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

Our affiliate, HG Operations Nebraska, opened one Hello Garage business in November 2019 that operates in ~~three~~5 territories in the Omaha, Nebraska metropolitan area (~~two~~3 territories in Nebraska, and ~~one territory~~1 territories in Iowa) and 2 territories in Des Moines, Iowa (“HG Nebraska”). Our affiliate, HG Operations Kansas, opened one Hello Garage business in October 2020 that now operates ~~6~~7 territories in Kansas City, Missouri metropolitan area (“HG KC”). By January 1, 2023, the HG Nebraska and HG KC Hello Garage Businesses combined operations and are now under the same management team and operate as one Hello Garage Business ~~operating in 10~~in a total of 13 territories (“HG Corporate”). In addition, there were ~~30~~28 franchised Hello Garage businesses operating in ~~93~~84 territories that had completed sales appointments and were in operation for the full ~~9~~12-month period ending ~~September 30~~December 31, 2023. Each of the territories contain about 75,000 qualified

households. Please carefully read all the information in this Item 19, and all the notes following the charts, in conjunction with your review of the historical data.

The first table below represents ~~22~~21 Hello Garage franchised businesses operating in ~~57~~56 territories that completed their first sales appointment in 2022 and have been ~~in-operation~~making sales appointments for less than 2 years for the ~~9~~12-month period ending ~~September 30~~December 31, 2023. The second table below presents data we collected respecting those remaining ~~87~~ Hello Garage franchised business operating in ~~36~~28 territories that completed their first sales appointment prior to the 2022 calendar year and have been ~~in-operation~~making sales appointments for two or more years for the ~~9~~12-month period ending ~~September 30~~December 31, 2023. The third table below presents data we collected respecting the HG Nebraska and HG KC Hello Garage Business operating in 12 territories.

The charts include the value of all customer sales during the applicable periods. Not included in the table below are any Hello Garage franchised businesses that completed their first sales appointments in 2023 or 2024 or HG Nebraska's Des Moines' territories which began operations ~~in-the-applicable periods~~during 2023. The 2023 data excludes 1 franchisee operating in 2 territories that transferred their business during the ~~9~~12-month period ending ~~September 30~~December 31, 2023, 2 franchisees operating 5 territories that were not in operation for the enter 12-month period ending December 31, 2023, ~~40~~11 franchisees operating in ~~48~~43 territories that ceased operations during the ~~9~~12-month period ending ~~September 30~~December 31, 2023, ~~and 11~~10 franchisees operating in ~~34~~28 territories that ~~opened~~completed their first sales appointment during the ~~9~~12-month period ending December 31, 2023, and 1 franchisee operating in 3 territories that opened and closed in 2023.

Table 1
~~22~~21 Franchised Hello Garage Businesses Operating for less than 2 years
During the ~~9~~12 Month Period Ending ~~September 30~~December 31, 2023

Measurement	# of Booked Sales	Average Amount Per Booked Sale(2)	Booked Sales(1)	Install Revenue(3)	Lead to Appointment Conversion(4)
High	182 <u>227</u>	\$ 6,415 <u>6,540</u>	\$989,489 <u>1,265,770</u>	\$916,007 <u>1,294,370</u>	79% <u>81%</u>
Average	95 <u>118</u>	\$ 4,885 <u>4,854</u>	\$464,473 <u>577,279</u>	\$406,457 <u>557,781</u>	62% <u>63%</u>
Median	92 <u>113</u>	\$ 4,839 <u>4,662</u>	\$431,683 <u>559,695</u>	\$394,115 <u>511,846</u>	61%
Low	24 <u>26</u>	\$ 2,915 <u>3,009</u>	\$100,921 <u>118,598</u>	\$82,492 <u>102,776</u>	49%

Table 2
~~Eight~~Seven Franchised Hello Garage Businesses Operating for 2+ Years
During the ~~9~~12 Month Period Ending ~~September 30~~December 31, 2023

Measurement	# of Booked Sales	Average Amount Per Booked Sale(2)	Booked Sales(1)	Install Revenue(3)	Lead to Appointment Conversion(4)
High	35 <u>261</u>	\$ 8,224 <u>5,356</u>	\$2,926,960	\$2,132,566	74% <u>75%</u>

			1,384,509	1,318,973	
Average	484 138	\$ 5,613 5,013	\$ 1,109,987 706,035	\$ 971,206 666,064	60% 59%
Median	124 137	\$ 5,205 5,179	\$ 633,159 651,853	\$ 650,165 694,838	59%
Low	88 44	\$ 4,809 4,607	\$ 456,887 202,718	\$ 405,068 126,494	53% 52%

Table 3
2 Corporate Hello Garage Businesses Operating for 2+ Years
During the 12 Month Period Ending December 31, 2023

<u>Measurement</u>	<u># of Booked Sales</u>	<u>Average Amount Per Booked Sale(2)</u>	<u>Booked Sales(1)</u>	<u>Install Revenue(3)</u>	<u>Lead to Appointment Conversion(4)</u>
HG KC	385	\$6,113	\$2,379,682	\$2,106,099	65%
KC Nebraska	413	\$8,034	\$3,438,351	\$2,950,470	69%

The following table below includes the historic Gross Revenue and certain expenses during the 12-month periods ending December 31, 2021 ~~and~~, December 31, 2022, and ~~the 9-month period ending September 30~~ December 31, 2023 based on data we collected respecting HG Corporate.

Gross Revenue, Costs as a Percentage of Gross Revenue
of HG Corporate's Hello Garage Business for the
12 Month Period Ending 12/31/21 ~~and~~, 12/31/22 and ~~the 9-Month Period Ending~~
~~9/30/23~~ 12/31/23

Reporting Period	2021	2022	2023
Gross Revenue (5)	\$2,446,788	\$3,990,678	\$3,886,449 5,056,568
<i>Certain Costs as a Percentage of Revenue</i>			
Product Cost (6)	36.15%	37.08%	36.81% 37.8%
Labor (7)	15.54%	14.51%	14.60% 14.7%
Brand Services Fee (8)	8.00%	8.00%	3.00% 3%
Television (9)	3.85%	4.62%	7.48% 6.6%
All Other Marketing (10)	8.54%	10.23%	9.25% 9.1%
Fuel (11) and Maintenance (12)	1.83%	1.86%	1.92% 2.1%
Technology (13)	0.64%	0.57%	0.31% 0.4%
Merchant Services and Insurance (14)	2.56%	2.27%	2.38% 2.5%
Small Tools & Equipment (15)	1.36%	0.95%	1.04% 1.1%
Sales Compensation (16)	3.94%	6.18%	7.05% 7.1%
Gross Revenue less Certain Costs	\$430,485	\$547,536	\$627,839787,965

Notes:

- (1) "Booked Sales" are the total customer sales during the relevant period. Of the 21 franchised Hello Garage franchised businesses included in Table 1 above, 10 franchised Hello Garage franchised businesses (48%) met or exceeded the average Booked Sales and of the 7 franchised

- [Hello Garage franchised businesses included in Table 2 above, 3 franchised Hello Garage franchised businesses \(43%\) met or exceeded the average Booked Sales.](#)
- (2) “Average Amount Per Booked Sale” is the total Booked Sales divided by the Number of Booked Sales.
- (3) “Install Revenue” is the total Gross Revenue received from installations performed during the relevant period. [Of the 21 franchised Hello Garage franchised businesses included in Table 1 above, 10 franchised Hello Garage franchised businesses \(48%\) met or exceeded the average Install Revenue and of the 7 franchised Hello Garage franchised businesses included in Table 2 above, 4 franchised Hello Garage franchised businesses \(57%\) met or exceeded the average Install Revenue.](#)
- (4) “Lead to Appointment Conversion” is the percentage of time that a customer lead resulted in a sales appointment.
- (5) “Gross Revenue” means the aggregate amount of all sales of goods and services, whether for cash, by check, credit card or otherwise, made, or provided at or in connection with the Franchised Business. “Gross Revenue” does not include any federal, state, municipal or other sales, value added or retailer’s excise taxes that you pay or accrue. For the purposes of the Franchise Agreement, a sale occurs at the time the goods are provided or installed, or the services are performed. Gross Revenue will not be adjusted for uncollected accounts.
- (6) “Product Cost” reflects the costs as a percentage of revenue of the total costs incurred to acquire the required material inventory.
- (7) “Labor” reflects the costs as a percentage of revenue of the amount spent on installation crew labor, including employees and independent contractors. Labor does not include a salary for a general manager or any administrative staff. We assume that your Designated Owner will act as the Operating Manager.
- (8) “Brand Services Fee” reflects the following costs as a percentage of revenue: (a) for 2021 and 2022, the total royalty fee and brand fund fee that was due under the Franchise Agreement for such years; and (b) for 2023, the brand services fee [that](#) will be due under the Franchise Agreement. As a new franchisee, you will pay the Brand Services Fee equal to the greater of 3% of Gross Revenue or \$150 per year. Franchisees under older versions of the Franchise Agreement were required to pay a total of 8% of Gross Revenues on royalty and brand fund fees.
- (9) “Television” reflects the costs as a percentage of revenue of the amounts that HG ~~Corporates~~[Corporate](#) spent on television advertising.
- (10) “All Other Marketing” reflects the costs as a percentage of revenue for all marketing costs that are not covered in the Brand Services Fee or Television advertising.
- (11) “Fuel” reflects the costs as a percentage of revenue of the fuel for your vehicle, sales vehicle, and other equipment in the operation of your Franchised Business.
- (12) “Maintenance” reflects the costs as a percentage of revenue of maintaining and repairing the equipment and vehicle.
- (13) “Technology” reflects the costs as a percentage of revenue of the technology we expect you to purchase in the operation of your Franchised Business.
- (14) “Merchant Services, and Insurance” reflects the costs as a percentage of revenue of credit card processing fees, and insurance.
- (15) [“Small Tools & Equipment”](#) reflects the costs as a percentage of revenue of tools and equipment needed for the Dream Team installers.
- (16) “Sales Compensation” reflects employees’ base salary & commission expenses as a percentage of revenue for the portion of that Gross Revenue that was not sold by the franchise owner or a General Manager.
- [\(17\) As noted, the information above only includes certain key expenses that HG Corporate incurred, but it does not include all expenses you will incur. Those expenses may include phones, printers, travel, benefits, rent, and interest expenses.](#)

The data presented in Item 19 is based on the information reported to us by our affiliates or franchisees. You should conduct an independent investigation of the costs and expenses you will incur in managing your own Hello Garage Franchised Business.

There are no material financial and operational characteristics of the company-owned territories that are reasonably anticipated to differ materially from future operational franchise outlets.

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.

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

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance, or the past financial performance of company owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting the General Counsel at Hello Garage Franchising, LLC, 11850 Valley Ridge Drive, Papillion, NE, 1-833-396-0813, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NUMBER 1
Systemwide Outlet⁽¹⁾ Summary
For Years ~~2020~~2021 to ~~2022~~2023

Outlet Type	Year	Outlets ⁽¹⁾ at the Start of the Year	Outlets ⁽¹⁾ at the End of the Year	Net Change
Franchised	2020	0	15	+15
	2021	15	92	+77
	2022	92	141	+49
	<u>2023</u>	<u>141</u>	<u>119</u>	<u>-22</u>
Company-Owned ⁽²⁾	2020	3	9	+6
	2021	9	9	+0
	2022	9	10	+1
	<u>2023</u>	<u>10</u>	<u>13</u>	<u>+3</u>
Total Outlets ⁽¹⁾	2020	3	24	+21
	2021	24	101	+77

Outlet Type	Year	Outlets ⁽¹⁾ at the Start of the Year	Outlets ⁽¹⁾ at the End of the Year	Net Change
	2022	101	151	+50
	<u>2023</u>	<u>151</u>	<u>132</u>	<u>-19</u>

TABLE NUMBER 2
Transfers of Franchised Outlets⁽¹⁾ From Franchisee to New Owners (Other than the Franchisor)
For Years ~~2020~~2021 to ~~2022~~2023

State	Year	Number of Transfers
<u>Colorado</u>	<u>2021</u>	<u>0</u>
	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>5</u>
Florida	2020	0
	2021	0
	2022	2
	<u>2023</u>	<u>0</u>
Idaho	2020	0
	2021	2
	2022	0
	<u>2023</u>	<u>0</u>
Illinois	2020	0
	2021	0
	2022	1
	<u>2023</u>	<u>0</u>
Missouri	2020	0
	2021	2
	2022	0
	<u>2023</u>	<u>0</u>
Oklahoma	2020	0
	2021	0
	2022	2
	<u>2023</u>	<u>0</u>
Texas	2020	0
	2021	3
	2022	0
	<u>2023</u>	<u>0</u>
TOTAL	2020	0
	2021	7
	2022	5
	<u>2023</u>	<u>5</u>

TABLE NUMBER 3
Status of Franchised Outlets⁽¹⁾
For Years ~~2020~~2021 to ~~2022~~2023

State	Year	Franchised Outlets ⁽¹⁾ at the Start of the Year	Franchised Outlets ⁽¹⁾ Opened	Termin-a tions	Non- Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Franchised Outlets ⁽¹⁾ at the End of the Year
Arizona ⁺	2020	0	0	0	0	0	0	0
	2021	0	4	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>0</u>
California	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Colorado	2020	0	0	0	0	0	0	0
	2021	0	7	0	0	0	0	7
	2022	7	4	0	0	0	0	11
	<u>2023</u>	<u>11</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>	<u>5</u>
Connecticut	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	1	2	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Delaware	2020	0	2	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Florida	2020	0	2	0	0	0	2	0
	2021	0	5	0	0	0	0	5
	2022	5	2	0	0	0	0	7
	<u>2023</u>	<u>7</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>7</u>
Georgia	2020	0	0	0	0	0	0	0
	2021	0	7	0	0	0	0	7
	2022	7	3	0	0	0	0	10
	<u>2023</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>	<u>0</u>
Idaho	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Illinois	2020	0	0	0	0	0	0	0
	2021	0	4	0	0	0	0	4
	2022	4	2	0	0	0	0	6
	<u>2023</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>3</u>
<u>Indiana</u>	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Iowa	2020	0	0	0	0	0	0	0

State	Year	Franchised Outlets ⁽¹⁾ at the Start of the Year	Franchised Outlets ⁽¹⁾ Opened	Termin-a tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Franchised Outlets ⁽¹⁾ at the End of the Year
	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Kentucky	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Massachusetts	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Maryland	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Michigan	2020	0	3	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
Minnesota	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	6	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Missouri	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New York	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	7	0	0	0	0	7
	2023	7	0	0	0	0	0	7
North Carolina	2020	0	0	0	0	0	0	0
	2021	0	5	0	0	0	0	5
	2022	5	7	0	0	0	0	12
	2023	12	0	0	0	0	0	12
North Dakota	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Ohio	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	8	0	0	0	0	8
	2023	8	0	0	0	0	5	3
Oklahoma	2020	0	0	0	0	0	0	0

State	Year	Franchised Outlets ⁽¹⁾ at the Start of the Year	Franchised Outlets ⁽¹⁾ Opened	Termin-a tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Franchised Outlets ⁽¹⁾ at the End of the Year
	2021	0	3	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Pennsylvania	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	4	0	0	0	0	4
<u>Rhode Island</u>	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
South Carolina	2020	0	0	0	0	0	0	0
	2021	0	11	0	0	0	0	11
	2022	11	0	0	0	0	10	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Tennessee	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	5	0	0	0	0	7
	<u>2023</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
Texas	2020	0	10	0	0	0	0	10
<u>Texas</u>	2021	10	21	0	0	0	0	31
	2022	31	1	0	0	0	0	32
	<u>2023</u>	<u>32</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15</u>	<u>20</u>
Utah	2020	0	0	0	0	0	0	0
	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>Virginia</u>	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	<u>2021</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Washington</u>	<u>2023</u>	<u>0</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>
	2021	0	0	0	0	0	0	0
	2022	0	30	0	0	0	0	30
	<u>2023</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Wisconsin	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
TOTAL	2020	0	17	0	0	0	2	15
<u>TOTAL</u>	2021	15	77	0	0	0	0	92
	2022	92	61	2	0	0	10	141
	<u>2023</u>	<u>141</u>	<u>24</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>46</u>	<u>119</u>

(1) The Hello Garage business in Arizona is temporarily closed.

TABLE NUMBER 4
Status of Company-Owned⁽²⁾ Outlets⁽¹⁾
For Years ~~2020~~2021 to ~~2022~~2023

State	Year	Outlets ⁽¹⁾ at the Start of the Year	Outlets ⁽¹⁾ Opened	Outlets ⁽¹⁾ Reacquired From Franchisees	Outlets ⁽¹⁾ Closed	Outlets ⁽¹⁾ Sold to Franchisees	Outlets ⁽¹⁾ at the End of the Year
Iowa	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Kansas	2020	0	3	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	1	0	0	0	4
	<u>2023</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Missouri	2020	0	3	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
	<u>2023</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Nebraska	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	0	0	2
	<u>2023</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
TOTAL	2020	3	6	0	0	0	9
	2021	9	0	0	0	0	9
	2022	9	1	0	0	0	10
	<u>2023</u>	<u>10</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13</u>

TABLE NUMBER 5
Projected Openings
As of December 31, ~~2022~~2023

State	Franchise Agreements Signed But Franchised Outlets ⁽¹⁾ Not Opened	Projected New Franchised Outlets ⁽¹⁾ in the Next Fiscal Year	Projected New Company-Owned ⁽²⁾ Outlets ⁽¹⁾ in the Next Fiscal Year
Arizona	0	<u>43</u>	0
California	0	<u>63</u>	0
Colorado	0	4	0
Florida	<u>30</u>	<u>63</u>	0
Georgia	<u>01</u>	<u>40</u>	0
Illinois	0	4	0
Indiana	2	0	0
Iowa	0	2	0

State	Franchise Agreements Signed But Franchised Outlets ⁽¹⁾ Not Opened	Projected New Franchised Outlets ⁽¹⁾ in the Next Fiscal Year	Projected New Company-Owned ⁽²⁾ Outlets ⁽¹⁾ in the Next Fiscal Year
Kentucky	0	2	0
Maryland	0	2	0
Michigan	0	2	0
Missouri	0	2	0
Nebraska	0	0	1
New Jersey	0	2	0
New York	0	6	0
North Carolina	0	2	0
North Dakota	0	1	0
Ohio	0	43	0
Pennsylvania	02	40	0
Tennessee	0	4	0
Texas	0	43	0
Utah	0	2	0
Virginia	6	0	0
Washington	4	0	0
TOTAL	153	6715	10

Notes to Tables 1, 2, 3, 4, and 5:

1. In Item 20, “Outlet” means the individual territories of approximately 75,000 qualified households that are operated pursuant to a Hello Garage franchise agreement.
2. “Company-Owned” includes any locations owned and operated by us and any affiliates listed in Item 1 above.

The names, addresses and telephone numbers of our current franchisees are included in Attachment C. The names, addresses and telephone numbers of the franchisees that have had a franchise terminated, canceled, not renewed, otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement, or has not communicated with us within 10 weeks of the issuance date of this disclosure document are also included in Attachment C. If you buy a Hello Garage franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

~~During the last three fiscal years, no current or former~~Some of our franchisees have signed confidentiality ~~clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.~~ agreements during the past 3 years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Hello Garage franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

We are not aware of any trademark-specific franchisee associations.

ITEM 21

FINANCIAL STATEMENTS

Attached as Attachment A are our audited financial statements for the reporting periods ending December 31, ~~2022~~2023, December 31, ~~2021~~2022 and December 31, ~~2020~~2021. Our fiscal year end is December 31.

ITEM 22

CONTRACTS

The following contracts are included in the following Attachments:

Attachment	Contract
Attachment B	Franchise Agreement (including exhibits)
Attachment E	State Addenda
Attachment F	Form General Release
Attachment H	Disclosure Acknowledgment Agreement
Attachment I	Form Software as a Service Agreement
Attachment J	Form Supply Agreement

ITEM 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this disclosure document are attached as Attachment K at the end of this disclosure document. You will keep one copy of the receipt for your files, and you will return the second copy to us.

ATTACHMENT A
TO HELLO GARAGE FDD
FINANCIAL STATEMENTS



**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

December 31, 2023 and 2022



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Lengemann & Associates, P.C.
Certified Public Accountants
www.lengemanncpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management
Hello Garage Franchising, LLC
Papillion, Nebraska

Opinion

We have audited the accompanying financial statements of Hello Garage Franchising, LLC, a Nebraska Limited Liability Company, which comprise the balance sheets as of December 31, 2023, and 2022, and the related statements of income and owner'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 Hello Garage Franchising, LLC 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hello Garage Franchising, LLC 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 Hello Garage Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 Hello Garage Franchising, LLC'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 Hello Garage Franchising, LLC'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.

Lengemann & Associates, P.C.

LENGEMANN & ASSOCIATES, P.C.
Papillion, Nebraska
April 1, 2024



BALANCE SHEET
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 640,909	\$ 1,287,044
Accounts receivable, net (Note 1)	849	8,296
Accrued revenue	9,714	17,437
Current portion of capitalized contract fees	293,352	348,948
Prepaid expenses	54,462	57,232
Other current assets	23,860	32,609
Total current assets	<u>1,023,146</u>	<u>1,751,566</u>
OTHER ASSETS:		
Intangible assets, net (Note 2)	39,449	61,417
Property and equipment, net (Note 3)	129,470	518,670
Long-term portion of capitalized contract fees	2,122,175	2,771,884
Total other assets	<u>2,291,094</u>	<u>3,351,971</u>
TOTAL ASSETS	<u>\$ 3,314,240</u>	<u>\$ 5,103,537</u>
<u>LIABILITIES AND OWNER'S EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 142,115	\$ 383,199
Accrued salaries and benefits	90,193	99,542
Current portion of deferred franchise fees	331,152	520,246
Other current liabilities	6,002	33,802
Total current liabilities	<u>569,462</u>	<u>1,036,789</u>
LONG-TERM LIABILITIES:		
Notes payable (Note 4)	-	150,000
Long-term portion of deferred franchise fees	1,995,404	2,873,631
Total long-term liabilities	<u>1,995,404</u>	<u>3,023,631</u>
TOTAL LIABILITIES	<u>2,564,866</u>	<u>4,060,420</u>
OWNER'S EQUITY	<u>749,374</u>	<u>1,043,117</u>
TOTAL LIABILITIES AND OWNER'S EQUITY	<u>\$ 3,314,240</u>	<u>\$ 5,103,537</u>

See accompanying notes to the financial statements



**STATEMENT OF INCOME AND OWNER'S EQUITY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
REVENUE:		
Initial franchise revenue	\$ 1,538,371	\$ 879,188
Franchise sales fees revenue	3,158,671	2,513,920
Miscellaneous revenue	328,242	263,725
GROSS REVENUE	<u>5,025,284</u>	<u>3,656,833</u>
OPERATING EXPENSES:		
Advertising expense	638,249	364,394
Amortization and depreciation expense	69,832	55,994
Contract fees expense	1,153,212	496,811
General and administrative expense	1,399,912	959,824
Salaries and benefits expense	2,046,287	1,488,752
TOTAL OPERATING EXPENSES	<u>5,307,492</u>	<u>3,365,775</u>
OPERATING INCOME	<u>(282,208)</u>	<u>291,058</u>
OTHER INCOME (EXPENSE)		
Interest expense	(2,475)	(4,563)
Miscellaneous expense	(72,469)	-
Miscellaneous income	63,409	43,746
TOTAL OTHER INCOME	<u>(11,535)</u>	<u>39,183</u>
NET INCOME	<u><u>\$ (293,743)</u></u>	<u><u>\$ 330,241</u></u>
OWNER'S EQUITY:		
Owner's equity beginning of year	1,043,117	712,876
Owner's equity end of year	<u><u>\$ 749,374</u></u>	<u><u>\$ 1,043,117</u></u>

See accompanying notes to the financial statements



STATEMENT OF CASH FLOW
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (293,743)	\$ 330,241
Adjustments to reconcile net income to net cash (used) / provided by operating activities:		
Amortization and depreciation expense	69,832	55,994
Increase (decrease) in assets:		
Accounts receivable	7,447	295,056
Accrued revenue	7,723	(1,957)
Capitalized contract fees	705,305	(1,160,176)
Prepaid expenses	2,770	(15,639)
Other current assets	8,749	153,391
Increase (decrease) in liabilities:		
Accounts payable	(241,084)	359,989
Accrued salaries and benefits	(9,349)	55,438
Deferred franchise fees	(1,067,321)	1,076,412
Other current liabilities	(27,800)	(85,600)
Net cash provided operating activities	<u>(837,471)</u>	<u>1,063,149</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale (purchase) of property and equipment	<u>341,336</u>	<u>(534,563)</u>
Net cash provided (used) by investing activities	341,336	(534,563)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of notes payable	<u>(150,000)</u>	<u>-</u>
Net cash used by financing activities	(150,000)	-
 INCREASE (DECREASE) IN CASH	 (646,135)	 528,586
CASH, January 1,	<u>1,287,044</u>	<u>758,458</u>
CASH, December 31,	<u><u>\$ 640,909</u></u>	<u><u>\$ 1,287,044</u></u>
 Interest paid	 \$ 2,475	 \$ 4,563

See accompanying notes to the financial statements



**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

1) DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Description of business – Hello Garage Franchising, LLC is a Nebraska Limited Liability Company formed in November 2019. Hello Garage Franchising, LLC has developed a unique system for the development and operation of a franchise business that offers residential garage renovation services and related products and services under the Hello Garage Marks and System.

Related entities include the following:

- Arizona Foundation Repair, LLC
- Blackburn Foundation Repair, LLC
- GNMC, LLC
- GNT Properties, LLC
- GNT Properties Arizona, LLC
- GNT Properties Colorado, LLC
- GNT Properties Missouri, LLC
- GNT Properties Kansas, LLC
- GNT Properties Iowa, LLC
- GNT Properties Florida, LLC
- GNT Properties Florida II, LLC
- GNT Properties South Dakota, LLC
- Gregory and Nancy Thrasher Family Irrevocable Trust
- Gregory Thrasher 2015 Irrevocable Trust
- Nancy J. Thrasher 2015 Irrevocable Trust
- Thrasher, Inc.
- Supportworks, Inc.
- Hello Garage Operations, LLC
- HG Operations, LLC
- LRE Foundation Repair, LLC
- South Coast Piering, Inc.
- Sure-Dry, LLC
- Vesta Foundation Solutions, LLC
- Vintage Construction, LLC

These related entities are all under common ownership or control.

Basis of accounting - The Company uses the accrual basis of accounting in its record keeping and preparation of the financial statements. The accrual basis of accounting is required in order for the financial statements to be prepared in accordance with U.S. generally accepted accounting principles (GAAP).



**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

**1) DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Revenue recognition – The Company’s revenues consist of fees and royalties from franchisee operations. Initial franchise fees are recognized based upon performance obligations in the franchise agreement. The Company has elected to allocate revenue in the franchise agreement based on a mix of both observable and estimated standalone selling prices (the price at which an entity would sell a promised good or service separately to a customer). Franchise sales fees consist of brand fees, franchise royalties, and product royalties whereby the Company is entitled to receive a specified percentage of franchise sales. This revenue is recognized at the time the underlying sales occur.

Accounts receivable - Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. The valuation allowance for the years ended December 31, 2023 and 2022 were \$6,000 and \$2,500, respectively.

Inventory – The Company’s inventory is valued at the lower of average cost or net realizable value.

Pre-opening obligations – The Company has elected to combine pre-opening obligations into a single performance obligation in accordance with FASB ASC 952-606-25. This performance obligation will be recognized distinct from the franchise license.

Capitalized contract fees – Contract fees paid to obtain a franchise agreement are recognized as an asset and amortized over the life of the franchise agreement. Contract fees that are capitalized relate directly to a franchise agreement.

Franchise arrangements – Franchisees are granted the right to operate a business using the Hello Garage system generally for a period of 10 years. At the end of the 10-year franchise agreement, the franchisee can enter into a new 10-year agreement or cease operations as a Hello Garage franchise.

Advertising – Advertising costs are expensed as incurred. Advertising expenses for the years ended December 31, 2023 and 2022 were \$638,249 and \$364,394, respectively.



NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1) DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Intangible assets – Intangible assets are considered to have a finite useful life and are amortized on a straight-line basis over their estimated useful life. Intangible assets are reviewed for impairment when there are indications that their carrying value may not be recoverable. No impairments were recorded during the years ended December 31, 2023 and 2022.

Property and equipment – The Company established a \$5,000 capitalization threshold amount for capitalizing assets. Property and equipment are reported at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated economic useful life of the depreciable assets, which is 5 years.

Income taxes – The Company is a Nebraska Limited Liability Company, as such the owners of the LLC are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

The Company follows the provisions of Financial Accounting Standards Board (FASB) Account Standards Codification (ASC) Topic 740-10 related to uncertain income tax positions. Management believes there are no uncertain income tax positions taken which would require the Company to reflect a liability for unrecognized tax benefits on the accompanying balance sheet.

Cash equivalents - The Company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Compensated absences – The Company accrues earned time off (ETO) to all full-time employees. Employees can accrue a maximum of 120 to 240 hours based on their years of employment. Any unused ETO hours will be paid upon termination from the Company. As of December 31, 2023 and 2022, the Company had \$28,068 and \$32,952 of accrued unpaid ETO, respectively.

Leases – In February 2016 Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), required all lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. The new standard is effective for fiscal years beginning after December 15, 2021. The company evaluated all arrangements to determine the existence of a lease and found none.

Use of estimates - The preparation of the financial statements require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

2) INTANGIBLE ASSETS

The Company's intangible assets are as listed below:

	Amortization Period (years)	12/31/2022	Additions	12/31/2023
Brand name	-	\$ 16,369	\$ -	\$ 16,369
Trademark	-	5,315	-	5,315
Domain name	2	12,008	-	12,008
Visualizer	3	18,570	-	18,570
Website	3	54,255	-	54,255
Organization costs	5	48,900	-	48,900
Total intangible assets		155,417	-	155,417
Less accumulated amortization		(94,000)	(21,968)	(115,968)
Intangible assets, net		<u>\$ 61,417</u>	<u>\$ (21,968)</u>	<u>\$ 39,449</u>

Amortization expense was \$21,968 and \$40,101 for the years ended December 31, 2023 and 2022, respectively.

3) PROPERTY AND EQUIPMENT

The Company's property and equipment are as listed below:

	Depreciation Period (years)	12/31/2022	Additions	Disposals	12/31/2023
Tools and equipment	5	\$ 5,170	\$ -	\$ -	\$ 5,170
Vehicles	5	529,393	35,132	(420,173)	144,352
Total property and equipment		534,563	35,132	(420,173)	149,522
Less accumulated depreciation		(15,893)	(47,863)	43,704	(20,052)
Property and equipment, net		<u>\$ 518,670</u>	<u>\$ (12,731)</u>	<u>\$ (376,469)</u>	<u>\$ 129,470</u>

Depreciation expense was \$47,864 and \$15,893 for the years ended December 31, 2023 and 2022, respectively.



NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

4) NOTES PAYABLE

The Company had a \$300,000 line of credit from a related party which commenced on 4/3/2020 and matures on 12/31/2024. The annual fixed interest rate was 3% with interest only payments due December 31st each year. The Company may prepay the note at any time. As of December 31, 2023 and 2022, the balance was \$0 and \$150,000, respectively.

5) DEFINED CONTRIBUTION PLAN

All employees are eligible to contribute to a 401(k) account if they so choose from the 1st day of the quarter after their first 30 days of employment with the Company. Additionally, depending on the Company's profitability, the Company will match 100% of an employee's contribution up to a discretionary percentage of such employee's earnings at the conclusion of each fiscal year. To be eligible to receive the employer match in any given plan year, you must be an employee of the Company on December 31st of that plan year and have contributed money into the plan during that plan year. Company contributions to the plan for the year ended December 31, 2023 and 2022, were \$30,308 and \$26,795, respectively.

Vesting schedule for employer contributions:

<u>Years of service</u>	<u>Schedule</u>
1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

6) COMMITMENTS AND CONTINGENCIES

From time to time, the Company is subject to various litigation and other claims in the normal course of business. The Company will establish liabilities in connection with legal actions that management deems to be probable and estimable. No amounts have been accrued in the balance sheet with respect to any matters.



NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

7) CONCENTRATION OF CREDIT RISK

From time to time, the Company maintains cash balances in excess of the \$250,000 federally insured maximum at an Omaha based bank. At December 31, 2023 and 2022, the Company's cash balance exceeded the federally insured maximum by \$0 and \$1,071,830, respectively. This balance is based upon the bank account balance as of December 31, 2023 and 2022, and does not include any outstanding checks as of this date. In 2023 the Company utilized Insured Cash Sweeps (ICS) to mitigate the risk of cash balances in excess of the \$250,000 federally insured maximum. ICS provides FDIC insurance on deposits greater than \$250,000 by spreading the funds between the custodian bank and other partner banks in their network.

8) RELATED PARTY TRANSACTIONS

All the entities listed in footnote 1 have at least one common owner with control. The Company provided services and paid various expenses to related parties. The financial statement impact of these transactions is summarized below:

	<u>2023</u>	<u>2022</u>
Due (to)/from related parties	\$ (133,629)	\$ (344,528)
Revenue	\$ 1,305,186	\$ 826,934
Expenses	\$ 117,939	\$ 55,530

9) SUBSEQUENT EVENTS

The Company evaluated subsequent events and transactions that occurred after the financial statement date up to the date that the financial statements were issued. There were no items of significance requiring disclosure.



**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

December 31, 2022 and 2021



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Lengemann & Associates, P.C.

Certified Public Accountants

www.lengemanncpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management
Hello Garage Franchising, LLC
Papillion, Nebraska

Opinion

We have audited the accompanying financial statements of Hello Garage Franchising, LLC, a Nebraska Limited Liability Company, which comprise the balance sheet as of December 31, 2022, and 2021, and the related statements of income and owners' 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 Hello Garage Franchising, LLC as of December 31, 2022, and 2021, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hello Garage Franchising, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Hello Garage Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 Hello Garage Franchising, LLC'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 Hello Garage Franchising, LLC'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.

Lengemann & Associates, P.C.

LENGEMANN & ASSOCIATES, P.C.
Papillion, Nebraska
March 4, 2023



BALANCE SHEET
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,287,044	\$ 758,458
Accounts receivable, net (Note 1)	8,296	303,352
Accrued revenue	17,437	15,480
Current portion of capitalized contract fees	348,948	205,221
Prepaid expenses	57,232	41,593
Other current assets	32,609	186,000
Total current assets	<u>1,751,566</u>	<u>1,510,104</u>
OTHER ASSETS:		
Intangible assets, net (Note 2)	61,417	101,518
Property and equipment, net (Note 3)	518,670	-
Long-term portion of capitalized contract fees	2,771,884	1,755,435
Total other assets	<u>3,351,971</u>	<u>1,856,953</u>
TOTAL ASSETS	<u>\$ 5,103,537</u>	<u>\$ 3,367,057</u>
<u>LIABILITIES AND OWNERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 383,199	\$ 23,210
Accrued salaries and benefits	99,542	44,104
Current portion of deferred franchise fees	520,246	410,638
Other current liabilities	33,802	119,402
Total current liabilities	<u>1,036,789</u>	<u>597,354</u>
LONG-TERM LIABILITIES:		
Notes payable (Note 4)	150,000	150,000
Long-term portion of deferred franchise fees	2,873,631	1,906,827
Total long-term liabilities	<u>3,023,631</u>	<u>2,056,827</u>
TOTAL LIABILITIES	<u>4,060,420</u>	<u>2,654,181</u>
OWNERS' EQUITY	<u>1,043,117</u>	<u>712,876</u>
TOTAL LIABILITIES AND OWNERS' EQUITY	<u>\$ 5,103,537</u>	<u>\$ 3,367,057</u>

See accompanying notes to the financial statements



**STATEMENT OF INCOME AND OWNER'S EQUITY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
REVENUE:		
Initial franchise revenue	\$ 879,188	\$ 652,984
Franchise sales fees revenue	2,513,920	965,220
Miscellaneous revenue	263,725	93,653
GROSS REVENUE	3,656,833	1,711,857
OPERATING EXPENSES:		
Advertising expense	364,394	286,191
Amortization and depreciation expense	55,994	36,964
Contract fees expense	496,811	313,323
General and administrative expense	959,824	383,348
Salaries and benefits expense	1,488,752	491,214
TOTAL OPERATING EXPENSES	3,365,775	1,511,040
OPERATING INCOME	291,058	200,817
OTHER INCOME (EXPENSE)		
Interest expense	(4,563)	(4,563)
Miscellaneous income	43,746	6,836
TOTAL OTHER INCOME	39,183	2,273
NET INCOME	\$ 330,241	\$ 203,090
OWNERS' EQUITY:		
Owners' equity beginning of year	712,876	509,786
Owners' equity end of year	\$ 1,043,117	\$ 712,876

See accompanying notes to the financial statements



STATEMENT OF CASH FLOW
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 330,241	\$ 203,090
Adjustments to reconcile net income to net cash (used) / provided by operating activities:		
Amortization and depreciation expense	55,994	36,964
Increase (decrease) in assets:		
Accounts receivable	295,056	(302,853)
Inventory	-	-
Accrued revenue	(1,957)	(14,463)
Capitalized contract fees	(1,160,176)	(1,865,801)
Prepaid expenses	(15,639)	(27,025)
Other current assets	153,391	(186,000)
Increase (decrease) in liabilities:		
Accounts payable	359,989	9,776
Accrued salaries and benefits	55,438	44,104
Deferred franchise fees	1,076,412	2,131,066
Other current liabilities	(85,600)	109,355
Net cash provided operating activities	1,063,149	138,213
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of intangible assets	-	(12,570)
Purchase of property and equipment	(534,563)	-
Net cash used by investing activities	(534,563)	(12,570)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash provided by financing activities	-	-
 INCREASE IN CASH	 528,586	 125,643
CASH, January 1,	758,458	632,815
CASH, December 31,	<u>\$ 1,287,044</u>	<u>\$ 758,458</u>
 Interest paid	 \$ 4,563	 \$ 4,563

See accompanying notes to the financial statements



**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

1) DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Description of business – Hello Garage Franchising, LLC is a Nebraska Limited Liability Company formed in November 2019. Hello Garage Franchising, LLC have developed a unique system for the development and operation of a franchise business that offers residential garage renovation services and related products and services under the Hello Garage Marks and System.

Related entities include the following:

- Arizona Foundation Repair, LLC
- Blackburn Foundation Repair, LLC
- GNMC, LLC
- GNT Properties, LLC
- GNT Properties Colorado, LLC
- GNT Properties Missouri, LLC
- GNT Properties Kansas, LLC
- GNT Properties Iowa, LLC
- GNT Properties Florida, LLC
- GNT Properties Florida II, LLC
- Gregory and Nancy Thrasher Family Irrevocable Trust
- Gregory Thrasher 2015 Irrevocable Trust
- Nancy J. Thrasher 2015 Irrevocable Trust
- Thrasher, Inc.
- Supportworks, Inc.
- Hello Garage Operations, LLC
- HG Operations, LLC
- LRE Foundation Repair, LLC
- South Coast Piering, Inc.
- Sure-Dry, LLC

These related entities are all under common ownership or control.

Basis of accounting - The Company uses the accrual basis of accounting in its record keeping and preparation of the financial statements. The accrual basis of accounting is required in order for the financial statements to be prepared in accordance with U.S. generally accepted accounting principles (GAAP).



NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1) DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Revenue recognition – The Company’s revenues consist of fees and royalties from franchisee operations. Initial franchise fees are recognized based upon performance obligations in the franchise agreement. The Company has elected to allocate revenue in the franchise agreement based on a mix of both observable and estimated standalone selling prices (the price at which an entity would sell a promised good or service separately to a customer). Franchise sales fees consist of brand fees, franchise royalties, and product royalties whereby the Company is entitled to receive a specified percentage of franchise sales. This revenue is recognized at the time the underlying sales occur.

Accounts receivable - Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. The valuation allowance for the years ended December 31, 2022 and 2021 were \$2,500 and \$0, respectively.

Inventory – The Company’s inventory is valued at the lower of average cost or net realizable value.

Pre-opening obligations – The Company has elected to combine pre-opening obligations into a single performance obligation in accordance with FASB ASC 952-606-25. This performance obligation will be recognized distinct from the franchise license.

Capitalized contract fees – Contract fees paid to obtain a franchise agreement are recognized as an asset and amortized over the life of the franchise agreement. Contract fees that are capitalized relate directly to a franchise agreement.

Franchise arrangements – Franchisees are granted the right to operate a business using the Hello Garage system generally for a period of 10 years. At the end of the 10-year franchise agreement, the franchisee can enter into a new 10-year agreement or cease operations as a Hello Garage franchise.

Advertising – Advertising costs are expensed as incurred. Advertising expenses for the years ended December 31, 2022 and 2021 were \$364,394 and \$286,191, respectively.



**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

**1) DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Intangible assets – Intangible assets are considered to have a finite useful life and are amortized on a straight-line basis over their estimated useful life. Intangible assets are reviewed for impairment when there are indications that their carrying value may not be recoverable. No impairments were recorded during the years ended December 31, 2022 and 2021.

Property and equipment – The Company established a \$5,000 capitalization threshold amount for capitalizing assets. Property and equipment are reported at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated economic useful life of the depreciable assets, which is 5 years.

Income taxes – The Company is a Nebraska Limited Liability Company, as such the owners of the LLC are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

The Company follows the provisions of Financial Accounting Standards Board (FASB) Account Standards Codification (ASC) Topic 740-10 related to uncertain income tax positions. Management believes there are no uncertain income tax positions taken which would require the Company to reflect a liability for unrecognized tax benefits on the accompanying balance sheet.

Cash equivalents - The Company considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Compensated absences – The Company accrues earned time off (ETO) to all full-time employees. Any unused ETO hours will be paid upon termination from the Company. As of December 31, 2022 and 2021, the Company had \$32,952 and \$15,164 of accrued unpaid ETO, respectively.

Use of estimates - The preparation of the financial statements require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassification – Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on previously reported results of operations.



NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2) INTANGIBLE ASSETS

The Company's intangible assets are as listed below:

	Amortization Period (years)	12/31/2021	Additions	12/31/2022
Brand name	-	\$ 16,369	\$ -	\$ 16,369
Trademark	-	5,315	-	5,315
Domain name	2	12,008	-	12,008
Visualizer	3	18,570	-	18,570
Website	3	54,255	-	54,255
Organization costs	5	48,900	-	48,900
Total intangible assets		155,417	-	155,417
Less accumulated amortization		(53,899)	(40,101)	(94,000)
Intangible assets, net		<u>\$ 101,518</u>	<u>\$ (40,101)</u>	<u>\$ 61,417</u>

Amortization expense was \$40,101 and \$36,964 for the years ended December 31, 2022 and 2021, respectively.

3) PROPERTY AND EQUIPMENT

The Company's property and equipment are as listed below:

	Depreciation Period (years)	12/31/2021	Additions	12/31/2022
Tools and equipment	5	\$ -	\$ 5,170	\$ 5,170
Vehicles	5	-	529,393	529,393
Total property and equipment		-	534,563	534,563
Less accumulated depreciation		-	(15,893)	(15,893)
Property and equipment, net		<u>\$ -</u>	<u>\$ 518,670</u>	<u>\$ 518,670</u>

Depreciation expense was \$15,893 and \$0 for the years ended December 31, 2022 and 2021, respectively.



NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

4) NOTES PAYABLE

The Company has a \$300,000 line of credit from a related party which commenced on 4/3/2020 and matures on 12/31/2024. The annual fixed interest rate is 3% with interest only payments due December 31st each year. The Company may prepay the note at any time. At December 31, 2022 and 2021, the balance of the note was \$150,000.

5) DEFINED CONTRIBUTION PLAN

All employees are eligible to contribute to a 401(k) account if they so choose from the 1st day of the quarter after their first 30 days of employment with the Company. Additionally, depending on the Company's profitability, the Company will match 100% of an employee's contribution up to a discretionary percentage of such employee's earnings at the conclusion of each fiscal year. To be eligible to receive the employer match in any given plan year, you must be an employee of the Company on December 31st of that plan year and have contributed money into the plan during that plan year. Company contributions to the plan for the year ended December 31, 2022 and 2021, were \$26,795 and \$16,166, respectively.

Vesting schedule for employer contributions:

<u>Years of service</u>	<u>Schedule</u>
1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

6) COMMITMENTS AND CONTINGENCIES

From time to time, the Company is subject to various litigation and other claims in the normal course of business. The Company will establish liabilities in connection with legal actions that management deems to be probable and estimable. No amounts have been accrued in the balance sheet with respect to any matters.

7) CONCENTRATION OF CREDIT RISK

The Company maintains cash balances in excess of the \$250,000 federally insured maximum at an Omaha Bank. At December 31, 2022 and 2021, the Company's cash balance exceeded the federally insured maximum by \$1,071,830 and \$509,411, respectively. This balance is based upon the bank account balance as of December 31, 2022 and 2021, and does not include any outstanding checks as of this date.



NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

8) RELATED PARTY TRANSACTIONS

All the entities listed in footnote 1 have at least one common owner with control. The Company provided services and paid various expenses to related parties. The financial statement impact of these transactions is summarized below:

	<u>2022</u>	<u>2021</u>
Due (to)/from related parties	\$ (344,528)	\$ 301,245
Revenue	\$ 826,934	\$ 387,189
Expenses	\$ 55,530	\$ 19,515

9) NEW ACCOUNTING GUIDANCE

In February 2016 Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), required all lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. The new standard is effective for fiscal years beginning after December 15, 2021. The company evaluated all arrangements to determine the existence of a lease and found none.

10) SUBSEQUENT EVENTS

The Company evaluated subsequent events and transactions that occurred after the financial statement date up to the date that the financial statements were issued. There were no items of significance requiring disclosure.

ATTACHMENT B
TO HELLO GARAGE FDD
FRANCHISE AGREEMENT AND EXHIBITS

**HELLO GARAGE®
FRANCHISE AGREEMENT**

FRANCHISEE

DATE OF AGREEMENT

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HELLO GARAGE® FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 20____, between Hello Garage Franchising, LLC, a Nebraska limited liability company, with a principal place of business at 11850 Valley Ridge Drive, Papillion, NE 68046 (“Company,” “we” or “us”), and _____, a(n) _____, (“you” or “Franchisee”). If more than one individual is named as “you” or “Franchisee,” the obligations imposed upon each shall be joint and several.

INTRODUCTION

A. We have developed a unique system for the development and operation of a business that offers commercial and residential garage renovation services and related products and services under the Hello Garage Marks (defined in Section 1(F) below) and System (defined in Section 1(J) below).

B. We grant qualified persons the right to develop, own and operate a franchised Hello Garage business using the System at a specific location.

C. You desire to obtain the right to develop and operate a franchised Hello Garage business using the System at a specific location.

D. We have agreed to grant to you the right to develop and operate a franchised Hello Garage business subject to the terms and conditions of this Agreement.

AGREEMENTS

In consideration of the mutual covenants and agreements stated below, the parties agree as follows:

1. DEFINITIONS

A. “Confidential Information” means the methods, techniques, formats, marketing and promotional techniques and procedures, specifications, information, systems, software, and knowledge of and experience in operating and franchising Hello Garage businesses that we communicate to you or that you otherwise acquire in operating the Franchised Business under the System. Confidential Information does not include information, processes or techniques that are generally known to the public, other than through disclosure (whether deliberate or inadvertent) by you.

B. “Designated Account” means those customers or accounts we designate, in our sole and absolute discretion, as desiring central billing accounts, or that have at least twenty (20) locations, and such locations are located in more than one franchised or company-owned territory or market.

C. “Designated Owner” means the Principal Owner we approved who will oversee the Franchised Business operations and represent you in interacting with us. The Designated Owner must successfully complete our initial training program and all mandatory follow-up training programs. The Designated Owner is listed on Exhibit A. The Designated Owner and Operating Manager may be the same person.

D. “Franchised Business” means the franchised Hello Garage business you develop and operate under this Agreement which offers commercial and residential garage renovation services and related services we designate and require.

E. “Gross Revenue” means the aggregate amount of all sales of goods and services, whether for cash, by check, credit card or otherwise, made or provided at or in connection with the Franchised

Business. “Gross Revenue” does not include any federal, state, municipal or other sales, value added or retailer’s excise taxes that you pay or accrue. For the purposes of this Agreement, a sale occurs at the time the goods are provided or installed or the services are performed. Gross Revenue will not be adjusted for uncollected accounts.

F. “Marks” means the Hello Garage trademarks and service marks, and other trademarks, service marks, domain names, logos and commercial symbols that we have designated, or may in the future designate, for use in the System.

G. “Operating Manager” means the designated individual responsible for the day-to-day operation of the Franchised Business. We must approve the Operating Manager and the Operating Manager must successfully complete our initial training program and all mandatory follow-up training programs. The Designated Owner and Operating Manager may be the same person.

H. “Principal Owner” means any person or entity who directly or indirectly owns a 10% or greater interest in you. If any Principal Owner is a corporation, limited liability company, trust, or other entity (other than a partnership), the Principal Owner will include any individual person that is a direct or indirect shareholder or owner that owns or holds 10% or more ownership interest in such entity Principal Owner. If any Principal Owner is a partnership, a Principal Owner will include each general partner of such partnership and, if such general partner is an entity, any individual person that is a direct or indirect person that owns or holds 10% or more ownership interest in such general partner.

I. “Protected Territory” means one or more protected territories identified in Exhibit A.

J. “System” means the Hello Garage system which includes providing commercial and residential garage renovation services, including floor coatings, storage cabinets, slatwall, lighting and other accessories, and other related services, that we may designate in the future under the Marks, using certain distinctive types of equipment (including designated commercial and residential garage renovation equipment and the Computer System (as defined in Section 5(D) below)), supplies, Confidential Information, business techniques, Proprietary Software (as defined in Section 5(D) below), servicing techniques, methods and procedures, and sales promotion programs, as we periodically may modify and further improve.

2. GRANT OF FRANCHISE

A. Grant of Franchise, Franchised Business Location and Protected Territory. Subject to the provisions contained in this Agreement, we grant you a franchise (the “Franchise”) to own and operate the Franchised Business and to use the Marks in operating the Franchised Business. You may either lease a space for the Franchised Business or operate the Franchised Business from a home office provided that there is a dedicated office space within the residence. Regardless of whether you lease a space for the Franchised Business or operate the Franchised Business from a home office: (i) the Franchised Business premises must be located inside the Protected Territory, (ii) the Franchised Business premises must meet our standards and requirements, and (iii) you also must secure a temperature-controlled storage space located within the Protected Territory that meets our standards and requirements. The location of the Franchised Business and your Protected Territory are identified in Exhibit A. If you fail to identify the site for your office and storage space for the Franchised Business, we may reduce your Protected Territory or terminate this Agreement.

B. Nature of your Protected Territory. During the Term of this Agreement (as defined in Section 3(A) below), and provided you are in compliance with this Agreement, we will not place or grant a third party the right to place another full service Hello Garage business within the Protected Territory, except as permitted under this Agreement. The license granted to you under this Agreement is personal in nature. Unless we otherwise expressly authorize in writing, the Marks licensed to you under this Agreement: (i) may not be used at any location other than the Franchised Business, and (ii) may be used in connection with a vehicle we authorize, provided the vehicle is only used inside the Protected

Territory. You may not sell products or services identified by the Marks at any location other than at or from the Franchised Business or from a vehicle that we approve that is operated solely inside the Protected Territory without obtaining our prior written consent. You may not offer or sell any products or services we do not approve. Except as expressly stated in this Agreement, you must concentrate your advertising and marketing efforts inside your Protected Territory. You will not have the right to subfranchise or sublicense any of your rights under this Agreement. You will not use the Franchised Business for any purposes other than the operation of a franchised Hello Garage business.

You may not, unless in connection with other Hello Garage franchisees and with our consent, market or advertise in telephone or similar online directories that directly target areas outside of your Protected Territory or establish a mailing address for your Franchised Business or make other representations to potential customers that would lead others to believe that you have facilities or authorization to operate outside the Protected Territory.

Except as outlined below or as it relates to Designated Accounts, there are no restrictions on the customers you may service, provided all sales and services must be provided to commercial or residential customers located inside your Protected Territory. If neither we nor another franchisee operates in an area adjacent to your Protected Territory, then upon your receipt of our prior written consent, you may advertise, market and/or service customers located outside of your Protected Territory. In such instances, we reserve the right to require you in the future to cease all direct advertising and marketing efforts to those customers located outside your Protected Territory, and we reserve the right to require you to purchase the area adjacent to your Protected Territory in order to continue servicing that area upon written notice to you.

C. Rights Reserved To Us. We (for ourselves and our affiliates) retain the right:

1. to operate, or to grant other persons the right to operate, Hello Garage businesses at locations outside the Protected Territory (except to the extent we may be restricted under a separate Hello Garage franchise agreement to which you are a party);

2. to service customers or offer products or services, or to grant other persons the right to service customers or offer products or services, located inside or outside the Protected Territory under any trademarks except for the Marks; *provided*, that we will not authorize any distributor to provide the full offering of products and services offered at or from your Franchised Business, except as a result of a merger or acquisition as described below;

3. to sell products, equipment, and other materials under the Marks or other trademarks through dissimilar channels of distribution (i.e., other than the operation of a Hello Garage business), including by electronic means such as the Internet and by websites we establish, or through retail locations within and outside the Protected Territory;

4. to merge with, acquire, be acquired, or become associated with any businesses of any kind under other systems and/or other marks, which businesses may convert to or operate under the Marks or other trademarks and may offer or sell products and services that are the same as or similar to the products and services offered at or from your Franchised Business, and which may be located anywhere inside or outside the Protected Territory;

5. to provide services to Designated Accounts as described further below; and

6. to advertise the System on the Internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Marks.

D. **Designated Accounts.** In addition to the reserved rights outlined in Section 2(C) above, we or our affiliates have the right to sell and enter into agreements with Designated Accounts, both inside and outside the Protected Territory. You must participate in any regional or national accounts program (the “Designated Accounts Program”) we designate, and comply with the terms of the Designated Accounts Program as described in the Manuals (as defined in Section 6(F) below) or as we otherwise describe in writing. You understand that we will establish the rules under which you will participate, and be compensated for participation, in the Designated Accounts Program and that we may terminate, modify or replace the Designated Accounts Program at any time. We have the right to service a Designated Account or grant a third party (including another Hello Garage franchisee) the right to service a Designated Account in your Protected Territory for all of the following reasons: (i) you are in default of this Agreement; (ii) the Designated Account objects to you providing the services; (iii) you fail to timely notify us of your acceptance of the Designated Account business; or (iv) you cannot or will not service the Designated Account business for any reason.

If a Designated Account contacts you directly, you must refer the Designated Account to us within 2 business days. We will negotiate all contracts with Designated Accounts and you will not have any right to negotiate any contract or provide services to the Designated Account without our express written consent.

E. **Minimum Performance Requirement.** The rights we have granted to you under this Agreement are dependent on your achieving the following minimum performance requirements per protected territory(ies) identified on Exhibit A regarding the Gross Revenue collected from customers located within each of the protected territory(ies) during each reporting year following your Opening Date (referred to as the “Minimum Performance Requirement Per Protected Territory”):

Time Period	Annual Gross Revenue Minimum Performance Requirement Per Protected Territory
Third Calendar Year	\$250,000
Fourth Calendar Year	\$350,000
Fifth Calendar Year and Subsequent Calendar Years	\$450,000

There is no Minimum Performance Requirement Per Protected Territory for the calendar year of your Opening Date (first calendar year) or the calendar year following the Opening Date (second calendar year). Your “Opening Date” is the earlier of: (a) the date you begin operations of your Franchised Business; or (b) 90 days following the Effective Date of the Franchise Agreement.

If you fail to meet the Minimum Performance Requirement Per Protected Territory during any reporting year, we have the right, but are not required, to: (i) reduce the size of the Protected Territory; (ii) require you or your Operating Manager to attend training at your cost and expense; or (iii) terminate this Agreement.

3. **TERM OF FRANCHISE; RENEWAL RIGHTS**

A. **Term.** The term of this Agreement commences on the date of this Agreement (the “Effective Date”) and ends 10 years after the Effective Date (the “Term”).

B. **Renewal.** You will have the right to renew the Franchise for the Franchised Business for up to 1 additional term of 10 years, provided you meet the following conditions:

1. you have given us written notice of your intention to renew at least 180 days before the end of the then-existing term of this Agreement;
2. you have fully complied with all provisions of this Agreement, including the payment of all monetary obligations you owe to us or our affiliates, and have complied with our material operating and quality standards and procedures;
3. your Designated Owner, and any other employees we designate completes, to our satisfaction, any new training and refresher programs as we may reasonably require. You are responsible for all travel, living and compensation costs of attendees;
4. you have paid to us a fee equal to 20% of our then current initial franchise fee for the first protected territory (“Renewal Fee”) at least 30 days before the then-existing term of this Agreement expires;
5. you sign our then-current form of Hello Garage franchise agreement; provided that you will be required to pay the Renewal Fee in lieu of the initial franchise fee stated in the then-current franchise agreement, which terms and fees may be different from those contained in this Agreement;
6. you and each Principal Owner sign a general release, in a form acceptable to us, of all claims against us and our affiliates, officers, directors, employees, and agents; and
7. you have upgraded and modernized your Franchised Business, including purchasing any new equipment, materials, and supplies we designate, to reflect our then-current requirements and standards.

4. FRANCHISE FEES

A. Initial Franchise Fee. You will pay us an initial franchise fee (the “Initial Franchise Fee”) equal to the amount described on Exhibit A. The Initial Franchise Fee is payable when you sign this Agreement, is fully earned by us upon receipt, and is non-refundable.

B. Technology On-Boarding Fee. You will pay us \$175 to process your technology onboarding (the “Technology On-Boarding Fee”). The Technology On-Boarding Fee is payable 90 days after you sign this Agreement, is fully earned by us upon receipt, and is non-refundable.

C. Brand Services Fee. During the Term of this Agreement, you will pay us for a system brand services fee (the “Brand Services Fee”) equal to the greater of \$150 per week or 3% of Gross Revenue per month. You will pay us your first Brand Services Fee once you collect the first occurrence of Gross Revenue. The Brand Services Fee is due and payable to us via electronic transfer on Wednesday of each week.

Each reporting year, the annual amount of Brand Services Fees you pay to us must equal or exceed 3% of the Minimum Performance Requirement Per Protected Territory. If the annual amount of Brand Services Fees you paid to us is less than 3% of the Minimum Performance Requirement Per Protected Territory, then you will pay us the “Brand Services Fee Catch-Up”, which is the difference between (i) 3% of the Minimum Performance Requirement Per Protected Territory for the applicable reporting year, and (ii) the Brand Services Fees that you paid us for such Protected Territory. You must pay us the Brand Services Fee Catch-Up (if any) within 30 days following the end of each reporting year

D. Technology Fee. We reserve the right to charge you a non-refundable then-current weekly technology fee (the “Technology Fee”). The Technology Fee may be used to develop, implement, and maintain certain technologies used in the Franchised Business, including website maintenance, text programs, and other technologies we determine are necessary for use in the Franchised Business. The Technology Fee is due and payable in the same manner, and at the same time, as the Brand Services Fee. We may impose or change the Technology Fee upon 90 days’ notice to you, and we will not increase the Technology Fee more than once in the same 12 month period.

E. Inside Sales Program Fee. If immediately after you conduct an appointment with a prospective customer, the customer has not yet engaged you to provide garage renovation services or related services, the prospective customer will be transferred to one of our “Inside Sales Representatives” at the National Appointment Center. If the prospective customer subsequently engages you to provide garage renovation services or related services after discussing the services with an Inside Sales Representative, we reserve the right to collect from you an inside sales program fee equal to 5% of Gross Revenue attributable to that customer. We may modify this fee at any time upon written notice to you.

F. Non-Compliance Fee. You must pay us a “Non-Compliance Fee” if you fail to comply on a timely basis with certain obligations under this Agreement or the Manuals. The Non-Compliance Fee is charged as consideration for the expenses we incur in addressing your failure to comply with the terms of this Agreement and the Manuals. All Non-Compliance Fees shall be imposed according to the schedule stated in the Manuals. The fees described in this Section 4(F) shall in no way limit our rights to put you in default or terminate this Agreement.

G. Electronic Transfer of Funds. We will require you to sign electronic transfer of funds authorizations and other documents as we periodically designate, in the form attached as Exhibit B or any other form that we may require or accept, to authorize your bank to transfer, either electronically or through some other method of payment we designate, directly to our account or an affiliate’s account and to charge your account for all amounts you owe us or our affiliates. Your authorizations will permit us or our affiliates to designate the amount to be transferred from your account. You will maintain a balance in your account sufficient to allow us or our affiliates to collect the amounts owed to us or our affiliates when due. You will be responsible for any penalties, fines or similar expenses associated with the transfer of funds described herein.

H. Interest. All Brand Services Fees (defined below) and other amounts which you owe to us or our affiliates will bear interest after the due date at the lesser of: (1) 16% per year; or (2) the maximum contract rate of interest permitted by law in the state in which the Franchised Business is located.

I. Application of Payments. We may apply against amounts due to us or any of our affiliates any payments received from you or any indebtedness of us to you.

J. Withholding Payments Unlawful. You agree that you will not withhold payment of any Brand Services Fee or any other amount due us, and that the alleged non-performance or breach of any of our obligations under this Agreement or any related agreement does not establish a right at law or in equity to withhold payments due us for Brand Services Fees or any other amounts due.

K. Tax Indemnification. You will indemnify us and reimburse us for all income, capital, gross receipts, sales, and other taxes that the state in which the Franchised Business is located imposes, or may in the future impose, as a result of your operation of the Franchised Business or the license of any of our intangible property in the jurisdiction in which the Franchised Business is located. If more than one Hello Garage franchisee is located in such jurisdiction, they will share the liability equally. If applicable, this payment is in addition to the Brand Services Fee payments described below.

5. DEVELOPMENT AND OPENING OF THE FRANCHISED BUSINESS

A. Your Development of the Franchised Business. Before you begin operating the Franchised Business, you will:

1. obtain all required building, utility, sign, health, sanitation and business permits and licenses, and any other required permits and licenses;
2. obtain all other licenses or certifications required by applicable law to operate the Franchised Business and to provide commercial and residential garage renovation services;
3. obtain an opening inventory of all commercial and residential garage renovation products, supplies and equipment, and such other products and materials we require for the Franchised Business;
4. purchase or lease a vehicle to carry supplies and equipment that meets our standards and specifications;
5. maintain our then current minimum working capital requirements (currently 3 months operating expenses available through cash, line of credit, or loan);
6. obtain all signage that we require for the Franchised Business and vehicle you will use in connection with operating the Franchised Business; and
7. establish filing, accounting and inventory control systems complying with our requirements.

B. Vehicle. Before opening the Franchised Business, you must obtain an installation vehicle that meets our standards and specifications. Some of the vehicles that you use in operating your Franchised Business, as described in the Manuals, must be approved by us, meet our standards and specifications, and be branded or wrapped as we require.

C. Equipment and Signs. You will use in operating the Franchised Business only those types of materials, supplies, equipment (including commercial and residential garage renovation equipment and computer hardware and software), and signs that we have approved for Hello Garage businesses as meeting our specifications and standards for appearance, function and performance. You may purchase approved types of supplies, materials, equipment, and signs from any supplier we approve or designate (which may include us and/or our affiliates). If you propose to purchase any supplies, materials, equipment, or signs we have not then approved, or any items from any supplier we have not then approved, you must notify us in writing and provide to us (at our request) sufficient specifications, photographs, drawings and other information or samples for us to determine whether the supplies, materials, equipment, vehicle or sign complies with our specifications and standards, or the supplier meets our approved supplier criteria, which determination we will make and communicate in writing to you within a reasonable time (generally 30 days). We reserve the right to charge you an evaluation and/or testing fee in connection with our review of any alternate supply or supplier you request.

D. Computer System. You will use in the Franchised Business the computer system we designate, including all existing or future communication or data storage systems, components thereof and associated service, which we have developed and/or selected for the System (the "Computer System"). The Computer System developed for use in your Franchised Business may include one or more proprietary software programs or applications developed for us (the "Proprietary Software"). You

must use any Proprietary Software that we designate. The Proprietary Software will remain the confidential property of us or our third party supplier. You may be required to enter into our or a third party supplier's standard form computer software access or license agreement in connection with your use of the Proprietary Software or other software we determine is necessary for the Franchised Business. You must pay us or our third party suppliers the initial and ongoing then-current license fee(s) related to your use of any Proprietary Software or other required software. We reserve the right to assign our rights, title and interest in any Proprietary Software or any software license agreement to a third party we designate, or to replace the Proprietary Software. In such event, you may be required to enter into a separate computer software license agreement specified by us or the third party supplier of the Proprietary Software. You must replace the Computer System, including the Proprietary Software, as we designate. We may require you to make certain updates and modifications to the Computer System more frequently. We also may access financial information and customer data produced by or otherwise located on your Computer System (collectively the "Customer Data"). We periodically will establish policies respecting the use of the Customer Data. You will have at the Franchised Business, Internet access with a form of high-speed connection as we require, and a dedicated telephone line for the Franchised Business. You will use an e-mail address we designate or approve for communication with us and customers. The computer hardware component of the Computer System must comply with specifications we develop. We have the right to designate a single source from which you must purchase the Computer System, including the Proprietary Software, any other software or hardware components or associated services. You understand and agree that we or our affiliates may be that single, designated source. You will be required to use and, at our direction, pay for all future updates, supplements and modifications to the Computer System.

E. Franchised Business Opening. You will not open the Franchised Business for business without our prior written approval. You agree to complete the development and open the Franchised Business for business within 90 days of the Effective Date.

F. Launch Kit. Before the opening of your Franchised Business, you must purchase from our affiliate a launch kit. This launch kit will include business cards, product brochures, homeowner pre-mailers, door hangers, folders, thank you note cards, envelopes, yard signs, and Hello Garage floor mats.

G. Relocation of Franchised Business. You will not relocate the Franchised Business from the site without our prior written consent. If you relocate the Franchised Business under this Section, the "new" franchised location of the Franchised Business, including the real estate and building, must comply with all applicable provisions of this Agreement and with our then-current specifications and standards for Hello Garage businesses. We will not unreasonably withhold our consent to the proposed relocation, provided the "new" location for the Franchised Business is located within your Protected Territory and that you otherwise comply with any other conditions that we may require. If you must relocate the Franchised Business because the Franchised Business was destroyed, condemned or otherwise became untenable by fire, flood or other casualty, you must reopen the Franchised Business at the new franchised location in the Protected Territory within 90 days after you discontinue operation at the existing Franchised Business site.

H. Trade Shows. You must participate as a vendor in at least five (5) trade shows or similar in person events per calendar year. You may only participate in trade shows or similar in-person events located within the contiguous Protected Territory(ies). In person events include but are not limited to home and garden shows, boat shows, car club meet ups, farmers markets, craft fairs, hobby expos and county and state fairs. Before you attend your first trade show or similar in person event, you must purchase the hardware and marketing materials for your trade show booth from our approved supplier(s).

You may be required to purchase additional trade show booth hardware and marketing materials each calendar year, as described in the Manuals. The costs for the trade show booth marketing materials and any other costs you incur to participate in the trade show, except the trade show booth hardware, will count towards your Minimum Local Advertising Spend Requirement (as defined below). If you desire to participate, as a vendor or participant, in a trade show or similar in-person event located outside your Protected Territory, then you must obtain our prior written consent, which we may reasonably withhold, at least thirty (30) days before the event. Other Hello Garage franchisees may attend trade shows or similar events within your Protected Territory without compensation to you. You must coordinate with the other Hello Garage franchisee(s) if you attend the same trade show or event as another Hello Garage franchisee(s). If any leads are generated at a trade show where two or more Hello Garage® franchisees shared a booth, the lead will be allocated back to the appropriate territory.

6. TRAINING AND OPERATING ASSISTANCE

A. Training. Your Designated Owner must attend our initial training program on the operation of a Franchised Business, provided at a place and time we designate. If the Designated Owner and Operating Manager are two different people, your Operating Manager must also attend our initial training program with the Designated Owner. If your Designated Owner is your Operating Manager, then you may include additional managers or employees to attend, and your sales employee(s) can attend sales training at the same time. We will not charge a training fee for your Designated Owner (and, if applicable, your Operating Manager) or other approved managers or employees and your sales employee(s) to attend our initial training program. If we require, or you request that we provide the initial training program to any additional individuals we reserve the right to charge you our then-current initial training fee. You are solely responsible for the compensation, travel, lodging and living expenses your Designated Owner, your Operating Manager, and your employees incur in attending the in-person component of the initial training program and any supplemental or refresher training programs.

The initial training program will take place in multiple phases. ~~The First phase will take place at least two weeks before opening the Franchised Business over a period of 3 to 5 days. We will require the, your~~ Designated Owner ~~(and, if applicable, the~~ Operating Manager ~~(or other approved managers or employees)~~ and sales employee(s) will take computer-based training courses from your Franchised Business' office, or another location you prefer. Second, after completing the required pre-training, your Designated Owner and Operating Manager (or other approved managers or employees) to will attend virtual in-person training before and after the first phase of the initial training, as we determine. The second phase of the initial training program will take place during the first year the Franchised Business is operating over a period of 2 to 4 days as we determine. The training program in Papillion, Nebraska, or such other location that we designate ("101 Training"). 101 Training includes instruction relating to the Franchised Business operations, services offered, customer service, marketing and sales programs. Third, once you complete 101 Training, your Designated Owner and Operating Manager (or other approved managers or employees) will complete additional computer-based training courses from your Franchised Business' office, or another location you prefer. This second virtual portion includes required assignments, phone calls and webinars that provide follow-up instruction on the 101 Training courses. These training modules, phone calls or webinars, and the on-site training, are collectively referred to as the "Initial Training Program." The Initial Training Program includes instruction relating to the Franchised Business operations, services offered, state and federal law compliance, leadership, customer service and marketing and sales programs. We may reduce the amount of training the Designated Owner (and, if applicable, the Operating Manager or other approved managers or employees) must complete based on a number of factors, including the Designated Owner's and Operating Manager's prior experience.

You may not open your Franchised Business unless your Designated Owner and Operating Manager (or other approved managers or employees) successfully complete the Initial Training Program and other required training to our satisfaction.

B. Opening Assistance. Before the opening of your Franchised Business, we will provide you with the services of one of our employees to assist in the opening of the Franchised Business. We will not charge a training fee for our opening assistance, but you must pay us our then-current fee for any subsequent on-site assistance. The duration of this on-site training will vary depending on the needs of your Franchised Business.

C. Required Ongoing Training. During the first year the Franchised Business is operating, your Designated Owner and Operating Manager (or other approved managers or employees) will attend an additional 2 to 4 days of in-person training in Papillion, Nebraska, or such other location that we designate ("201 Training"). 201 Training includes instruction relating to leadership, marketing, sales, customer service, and more.

~~C. Required Ongoing Training.~~ We may require your Designated Owner, Operating Manager, and/or such other employees we designate to attend or, when available, participate by Internet in, such additional training that we designate. You are responsible for the compensation, travel, lodging and living expenses your Designated Owner, your Operating Manager and your employees incur in attending any required ongoing training. We reserve the right to charge a reasonable fee in connection with any ongoing training we offer.

D. Operating Assistance. As the owner of your Franchised Business, you are solely responsible for the day-to-day operation of your Franchised Business. We will, however, provide you with operational advice and assistance in operating the Franchised Business as we deem appropriate. Operating assistance may include advice regarding the following:

1. products and services authorized for sale at Hello Garage businesses;
2. marketing and sales promotion programs for commercial and residential garage renovation services;
3. selecting and purchasing commercial and residential garage renovation supplies, equipment and materials for the Franchised Business;
4. employee relations and accountability of employees; and
5. establishing and operating administrative, bookkeeping, accounting, inventory control, sales and general operating procedures to properly operate a Hello Garage business.

We will provide such guidance through our Manuals, bulletins or other written materials, telephone conversations and/or meetings at our office or at the Franchised Business. We will also provide you with additional assistance or support as needed. We reserve the right to charge you a fee for such additional support or assistance.

E. Conferences. You must attend the annual franchise conference of Hello Garage businesses (the "Summit") or conference that we sponsor or designate. You must pay to us our then-current Summit registration fee and you are responsible for all travel and living expenses. If you fail to attend the Summit without our prior written consent, you must pay our then-current fee for two people for failing to attend the Summit.

F. Manuals. During the Term of this Agreement, we will provide to you electronic access to an operations manual and other handbooks, manuals, bulletins, directives and written materials (collectively, the “Manuals”) for Hello Garage businesses. The Manuals will contain mandatory and suggested specifications, standards and operating procedures that we develop for Hello Garage businesses and information relating to your other obligations. We may add to, and otherwise modify, the Manuals to reflect changes in authorized products and services, and specifications, standards and operating procedures of a Hello Garage business. The master copy of the Manuals that we maintain electronically or at our principal office and make available to you will control if there is a dispute involving the contents of the Manuals.

7. MARKS

A. Ownership and Goodwill of Marks. You acknowledge that you have no interest in or to the Marks and that your right to use the Marks is derived solely from this Agreement and is limited to the conduct of business in compliance with this Agreement and all applicable specifications, standards and operating procedures that we require during the Term of this Agreement. You agree that your use of the Marks and any goodwill established exclusively benefits us, and that you receive no interest in any goodwill related to your use of the Marks or the System. You must not, at any time during the Term of this Agreement or after termination or expiration of this Agreement, contest or assist any other person in contesting the validity or ownership of any of the Marks.

B. Limitations on Your Use of Marks. You agree to use the Marks as the sole identification of the Franchised Business, but you must identify yourself as the independent owner in the manner we direct. You must not use any Mark as part of any corporate or trade name or in any modified form, and you cannot use any Mark in selling any unauthorized product or service or in any other manner unless we have expressly authorized such use in writing. You agree to display the Marks prominently and in the manner we direct on all signs and forms. Subject to our rights described in this Agreement, you agree to obtain fictitious or assumed name registrations as may be required under applicable law.

C. Restrictions on Internet and Website Use. We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue the use of, a website using the Marks. You have the right to access our website. Except as we may authorize in writing, however, you will not: (1) link or frame our website; (2) conduct any business or offer to sell or advertise any products or services on the Internet (or any other existing or future form of electronic communication) except through a webpage that we approve; (3) create or register any Internet domain name in any connection with your Franchise; and (4) use any e-mail address which we have not authorized for use in operating the Franchised Business. You will not register, as Internet domain names, any of the Marks or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar. Further, you may not market, advertise or promote your Franchised Business or conduct any business on the Internet, including using social and professional networking sites to promote your Franchised Business, except as provided in our written social media policy (if any) or with our prior written approval. We will set up, own, and have administrative rights to any social and professional networking sites that you use in your Franchised Business.

D. Notification of Infringements and Claims. You must notify us in writing within 24 hours of learning of any apparent infringement of or challenge to your use of any Mark, or any claim by any person of any rights in any Mark or any similar trade name, trademark or service mark of which you become aware. You must not communicate with any person other than us and our counsel regarding any infringement, challenge or claim. We may take any action we deem appropriate and have the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge or claim relating to any Mark. You will sign all documents, provide assistance and take all action as we may

reasonably request to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain our interests in the Marks. To the extent we opt to control any referenced litigation or other proceeding arising out of any alleged infringement, challenge or claim relating to any Mark and you used the Mark in accordance with this Agreement and the Manuals, we will pay for, reimburse and otherwise cover any and all of your reasonable legal expenses and attorney fees incurred herewith (only to the extent previously approved in writing by us).

E. Litigation. You will have no obligation to and will not, without our prior written consent, defend or enforce any of the Marks in any court or other proceedings for or against imitation, infringement, any claim of prior use, or for any other allegation. You will, however, within 24 hours of learning of any alleged claim or complaint, notify us of such claims or complaints made against you respecting the Marks and will, at your expense, cooperate in all respects with us in any court or other proceedings involving the Marks. We will pay the cost and expense of all litigation we incur, including attorneys' fees, specifically relating to the Marks. We and our legal counsel will have the right to control and conduct any litigation relating to the Marks.

F. Changes to Marks. You cannot make any changes or substitutions to the Marks unless we so direct in writing. We reserve the right to modify or discontinue use of any Mark, or to use one or more additional or substitute trademarks or service marks. In such event, you will, at your expense, comply with such modification or substitution within a reasonable time after we notify you.

8. CONFIDENTIAL INFORMATION/IMPROVEMENTS

A. Confidential Information. You acknowledge and agree that you do not acquire any interest in the Confidential Information, other than the right to use it in developing and operating the Franchised Business pursuant to this Agreement, and that the use or duplication of the Confidential Information in any other business constitutes an unfair method of competition. You acknowledge and agree that the Confidential Information is proprietary, is our trade secret, and is disclosed to you solely on the condition that you agree that you: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the Term of this Agreement; (3) will not make unauthorized copies of any Confidential Information disclosed in written form; (4) will adopt and implement all reasonable procedures we direct to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to Franchised Business employees; and (5) will require all Operating Managers and other employees with access to Confidential Information to sign such an agreement in a form we approve. Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain Confidential Information in limited circumstances, as specified in the Manuals.

The restrictions on your disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information in judicial or administrative proceedings to the extent you are legally compelled to disclose this information, if you use your best efforts to maintain the confidential treatment of the Confidential Information, and provide us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us of confidential treatment for the information required to be so disclosed.

B. Improvements. You must fully and promptly disclose to us all ideas, concepts, methods, techniques, improvements, additions and Customer Data relating to the development and/or operation of a Hello Garage business or the System, or any new trade names, service marks or other commercial symbols, or associated logos relating to the operation of the Franchised Business, or any advertising or promotion ideas related to the Franchised Business (collectively the "Improvements") that you and/or

your employees conceive or develop during the Term of this Agreement. You agree to assign to us all rights to the Improvements without any obligation to you for royalties or other fees.

9. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

A. Relationship of the Parties. We and you are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venture or employee of the other. Neither party will independently obligate the other to any third parties or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. You must conspicuously identify yourself at the premises of the Franchised Business and in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of the Franchised Business under a franchise agreement from us, and must place other notices of independent ownership on signs, forms, stationery, advertising and other materials as we require.

B. YOUR INDEMNIFICATION OBLIGATIONS. YOU AGREE TO INDEMNIFY AND HOLD US AND OUR SUCCESSORS AND ASSIGNS, SUBSIDIARIES, AFFILIATES, STOCKHOLDERS, MEMBERS, DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES AND AGENTS HARMLESS AGAINST, AND TO REIMBURSE THEM FOR, ANY LOSS, LIABILITY OR DAMAGES ARISING OUT OF OR RELATING TO YOUR OWNERSHIP OR OPERATION OF THE FRANCHISED BUSINESS, AND ALL REASONABLE COSTS OF DEFENDING ANY CLAIM BROUGHT AGAINST ANY OF THEM OR ANY ACTION IN WHICH ANY OF THEM IS NAMED AS A PARTY (INCLUDING REASONABLE ATTORNEYS' FEES) UNLESS THE LOSS, LIABILITY, DAMAGE OR COST IS SOLELY DUE TO OUR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

C. Our Indemnification Obligations. We agree to indemnify and hold you and your officers, directors and agents harmless against, and to reimburse them for, any loss, liability or damage solely arising from or relating to our breach of this Agreement, gross negligence or willful misconduct and all reasonable costs of defending any claim related to the foregoing brought against you or any action in which you are named as a party (including reasonable attorneys' fees).

D. Survival. The indemnities and assumptions of liabilities and obligations continue in full force and effect after the expiration or termination of this Agreement.

10. FRANCHISED BUSINESS IMAGE AND OPERATING STANDARDS

A. Condition of Franchised Business and Vehicle. You agree to replace worn out or obsolete fixtures, equipment, furniture, or signs, repair the interior and exterior of the Franchised Business and periodically clean and redecorate the Franchised Business as we require. If at any time in our reasonable judgment, the general state of the fixtures, equipment, furniture or signs used in operating the Franchised Business do not meet our then-current standards, we will so notify you, specifying the action you must take to correct the deficiency.

You also agree to maintain the condition and appearance of the vehicle(s) you use in connection with operating the Franchised Business, and repair or replace the vehicle(s) as we may require, including any rebranding of the vehicle consistent with our requirements. If at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the vehicle does not meet our then-current standards, we will so notify you, specifying the action you must take to correct the deficiency.

B. Your Hiring and Training of Employees. As the owner of your Franchised Business, you are solely responsible for the day-to-day operation of your Franchised Business, including all employment related matters and issues that may arise. You will hire all employees of the Franchised Business, be exclusively responsible for the terms of their employment and compensation, and implement a training program for Franchised Business employees in compliance with our requirements. You will maintain at all times a staff of trained employees sufficient to operate the Franchised Business in compliance with our standards and applicable law, including ensuring that all of your employees are federally E-verified.

C. Products, Supplies and Materials. You agree that the Franchised Business will only offer for sale those products and services which we have approved as being suitable for sale and meeting the standards of quality and uniformity for the System. We periodically may modify the lists of approved services, as described in the Manuals. You agree to immediately cease selling products, and offering or performing services, we no longer approve, and you agree to begin offering new or modified products and services within the time period(s) we describe in the Manuals. Certain products and services must be purchased from suppliers we have approved (which may include us and/or our affiliates). You may be required to enter into a supply agreement with such suppliers. We periodically may modify the lists of approved products, brands and suppliers, and you will comply with such modified lists of approved products, brands and suppliers. If you propose to offer for sale any products or services which we have not approved, you must first notify us in writing and provide sufficient information, specifications and samples concerning the brand and/or supplier to permit us to determine whether the brand complies with our specifications and standards and/or the supplier meets our approved supplier criteria. We will notify you within a reasonable time (generally within 90 days) whether or not the proposed product, brand and/or supplier is approved. We reserve the right to charge an evaluation and/or testing fee in connection with this process. We may develop procedures for the submission of requests for approved brands or suppliers and obligations that approved suppliers must assume (which may be incorporated in a written agreement to be signed by approved suppliers). We may impose limits on the number of suppliers and/or brands for any products and services to be used in the Franchised Business. You agree that certain products may only be available from one source, and we or our affiliates may be that source. You must, at all times, maintain an inventory of products sufficient in quantity and variety to realize the full potential of the Franchised Business or as we require or suggest in the Manuals. Neither we nor our affiliates, however, guaranty that product will be available from us or any third party supplier. YOU ACKNOWLEDGE AND AGREE THAT WITH RESPECT TO ANY GOODS OR SERVICES SUPPLIED OR SOLD BY APPROVED SUPPLIERS OTHER THAN US OR OUR AFFILIATES, NOW AND IN THE FUTURE, WE MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE.

ANY SUPPORTWORKS® OR HELLO GARAGE GOODS OR SERVICES SUPPLIED OR SOLD BY US OR OUR AFFILIATES ARE SUBJECT TO THE LIMITED WARRANTY PROVIDED TO US OR OUR AFFILIATES BY OUR OR OUR AFFILIATES' SUPPLIERS AND MANUFACTURERS. THE TERMS OF THE LIMITED WARRANTY WILL BE PROVIDED TO YOU UPON THE PURCHASE OF THE GOODS AND SERVICES FROM US OR OUR AFFILIATES. WE AND OUR AFFILIATES DISCLAIM ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL WE OR OUR AFFILIATES BE LIABLE FOR ANY LOST PROFITS, LOST REVENUES, OR ANY CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND.

Neither you nor your affiliates may offer any concrete or foundation services, including concrete leveling, foundation repair, or below grade water proofing. All such concrete or foundation services must be referred to our affiliate's Supportworks distribution network (which may include your affiliate, if your affiliate is part of such Supportworks distribution network).

D. Standards of Service. You must at all times give prompt, courteous and efficient service to your customers. You must, in all dealings with your customers, suppliers and the public, adhere to the highest standards of honesty, integrity and fair dealing.

E. Specifications, Standards and Procedures. While you are solely responsible for the day-to-day operation of your Franchised Business, you acknowledge that we will impose certain mandatory specifications, standards and operating procedures (whether contained in the Manuals or any other written communication to you) that must be met to protect the Marks, customer experience and other Hello Garage businesses. You agree to comply with all mandatory specifications, standards and operating procedures we impose, including:

1. type and quality of products and services offered through the Franchised Business;
2. quality and uniformity of service and sales of all products and services at the Franchised Business;
3. methods and procedures relating to marketing, dealing with customers and providing services;
4. the hours and days during which the Franchised Business is open for business as specified in the Manuals;
5. the safety, maintenance, cleanliness, function and appearance of the Franchised Business and its vehicles, equipment and signs;
6. the style, make and/or type of equipment used in operating the Franchised Business;
7. use of promotional or branded signs, posters, displays, standard formats and similar items;
8. Franchised Business advertising and promotion;
9. complying with all laws and regulations relating to privacy and data protection and complying with any and all privacy policies or data protection and breach response policies we periodically may establish; and
10. complying with all laws, regulations and certifications as we deem relevant.

F. Compliance with Laws and Good Business Practices. You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and must operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations. You must comply with all laws and regulations relating to privacy and data protection and must comply with any privacy policies or data protection and breach response policies we periodically may establish. You must notify us in writing within 24 hours of the commencement of any action, suit,

proceeding or investigation, and of the issuance of any order, injunction, or award of decree by any court, agency or other governmental instrumentality, that may adversely affect the operation or financial condition of you or the Franchised Business. You must notify us immediately of any suspected data breach at or in connection with the Franchised Business. You will not conduct any business or advertising practice which injures other Hello Garage businesses, the System or the goodwill associated with the Marks.

G. Management of the Franchised Business/Conflicting Interests. The Franchised Business must at all times be under the direct supervision of the Designated Owner. The Designated Owner must at all times faithfully, honestly and diligently perform your obligations and continuously use his/her best efforts to promote and enhance the business of the Franchised Business. In addition, the Operating Manager must assume responsibilities on a full-time basis and must not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility, time commitments or otherwise may conflict with your obligations.

H. Insurance. You agree to purchase and maintain in force, at your expense, all of the insurance coverage we require in the types and amounts described in the Manuals. All insurance policies will: (1) be issued by an insurance carrier(s) acceptable to us; (2) will name us and our affiliates as an additional insured; (3) contain a waiver of the insurance company's right of subrogation against us; (4) contain the minimum insurance coverage that we designate in the Manuals for each Hello Garage franchised business that you operate, including this Franchised Business; and (5) provide that we will receive 30 days' prior written notice of any material change in or termination, expiration or cancellation of any policy. We periodically may, with prior written notice to you, increase the minimum liability protection requirements, and require different or additional kinds of insurance to reflect inflation or changes in standards of liability. If you at any time fail to maintain in effect any insurance coverage we require, or to furnish satisfactory evidence thereof, we, at our option, may obtain insurance coverage for you. You agree to promptly sign any applications or other forms or instruments required to obtain any insurance and pay to us, on demand, any costs and premiums we incur. You will provide us with copies of the certificate of insurance, insurance policy endorsements or other evidence of compliance with these requirements at least 2 weeks before you take possession and commence development of the Franchised Business premises, and at such other times as we may require. In addition, you will provide to us a copy of the evidence of the renewal or extension of each insurance policy in a form we require.

I. Participation in Internet Website. We require you to participate in a Hello Garage website listed on the Internet or other online communications and participate in any extranet system we designate. We will determine the content and use of a Hello Garage website and extranet system and will establish rules under which franchisees will participate. We will retain all rights relating to the Hello Garage website and extranet system and may alter the website or extranet system upon 30 days' notice to you. Your general conduct on the Internet and any extranet system we designate, and specifically your use of the Marks or any advertising on the Internet (including the domain name and any other Marks we may develop as a result of participation in the Internet), will be subject to the provisions of this Agreement. You acknowledge that certain information obtained through your online participation in the website or extranet system is considered Confidential Information (as defined in Section 1(A) above), including access codes and identification codes. Your right to participate in the Hello Garage website or extranet system or otherwise use the Marks or the System on the Internet will terminate when this Agreement expires or terminates.

J. E-Commerce Programs. We reserve the right to establish e-commerce programs designed to expand the market for Hello Garage products and services through sales of product or equipment on a centralized Internet website. You agree to participate in such programs, provided you

satisfy our then-current qualifications, and understand that we will establish the rules under which you will or may participate.

K. Participation in Certain Programs and Promotions. You must use your best efforts to promote and advertise your Franchised Business and must participate in all advertising and promotional programs we establish in the manner we direct. You must participate in any mystery shopper program we designate and may be required to pay a fee in connection with any designated mystery shopper program. If you do not receive a passing score in connection with any mystery shopper program or quality assurance check we conduct, you must take all actions necessary to address any deficiency and we reserve the right to seek reimbursement from you for any costs and expenses we incur in connection with the mystery shopper program or quality assurance check.

11. NATIONAL APPOINTMENT CENTER AND MARKETING

A. National Appointment Center. You must participate in a sales support center program (the “National Appointment Center”) as described in the Manuals. We reserve the right to modify or cancel the National Appointment Center at any time. You must comply with all standards and instructions that we impose in connection with the National Appointment Center, including the timeliness of responding to customers, purchasing or upgrading necessary equipment to enable participation, and any other standards and instructions described in the Manuals. We reserve the right to exclude you from participation in the National Appointment Center if you fail to comply with any standards and/or instructions. We send marketing materials (referred to as the “pre-mailer”) to a customer anytime you have an appointment with a customer, whether developed by the National Appointment Center or by you. You must pay us for the cost of these mailers. We will determine the National Appointment Center administration, the methods of advertising, media employed, and scope, contents, terms and conditions of advertising, marketing, promotional and public relations campaigns and programs.

B. Minimum Local Advertising Requirements. You will spend the amount designated in Exhibit A (the “Minimum Local Advertising Spend Requirement”) on “approved” advertising and promotional activities. On or before 45 days following the end of the applicable calendar year, you will provide us with an accounting of the funds that you spent on local advertising during the preceding calendar year. If you fail to spend the Minimum Local Advertising Spend Requirement during the previous calendar year on approved local advertising, you will deposit with us the difference between the Minimum Local Advertising Spend Requirement and what you actually spent for approved advertising during the calendar year. We will use that amount to pay expenses we incur in connection with the general support of the franchise system, and such amounts may not be spent in your Protected Territory. During the first calendar year, you must spend a pro rata portion of the Minimum Local Advertising Spend Requirement on approved local advertising. For purposes of this Section, advertising and promotional activities are “approved” if they are included in our recommended media plan for the Franchised Business (if applicable) and otherwise comply with Section 11(C) below.

C. Approved Advertising and Franchised Business Promotion Materials. You will use only our approved advertising and promotional materials approved by us in promoting the Franchised Business. You must use our designated digital marketing agency to place digital marketing. If you desire to use any advertising or promotional materials in promoting the Franchised Business which we previously have not approved, it must be submitted to us and you must obtain written approval from us at least 10 days before using any such materials, which approval will not be unreasonably withheld. If no response is received it should be considered unapproved. If we later determine that your advertising materials do not satisfy our then-current advertising and promotional standards, you will immediately cease using such materials upon written notice from us.

D. Participation in Certain Programs and Promotions. You will use your best efforts to promote and advertise the Franchised Business and will participate in all advertising and promotional programs we establish in the manner we direct. We may provide you with advertising templates at no cost. If you order any advertising materials from us, we reserve the right to charge you a fee, plus any shipping expenses we incur. We send marketing materials (the “pre-mailer”) to a customer anytime you have an appointment with a customer, and we require you to pay us for the cost of these mailers. You will have the right to advertise and sell your services at the prices you determine, provided such prices are consistent with our general marketing and advertising guidelines.

12. RECORDS AND REPORTS

A. Accounting and Records. During the Term of this Agreement, you will, at your expense, maintain and retain for a minimum of 5 years from the date of their preparation, complete and accurate books, records and accounts (using such methods of bookkeeping and accounting as we may require) relating to the Franchised Business (the “Records”), in the form and manner we direct in the Manuals or otherwise in writing. The Records will include the following: (i) monthly profit and loss statements, (ii) a monthly chart of accounts and income statements in a format we designate; (iii) all tax returns relating to the Franchised Business; and (iv) such other records and information as we periodically may request. You will be permitted to preserve Records and submit reports electronically, consistent with our requirements. As noted in Section 5(D) of this Agreement, we may electronically access all financial information, Records and Customer Data located on your Computer System. Within 30 days of the Effective Date, you must engage a bookkeeping service we designate at your expense and use such bookkeeping services throughout the term of this Agreement, unless we waive that requirement.

B. Reports and Tax Returns. You will deliver to us, or provide us access to, the following: (1) within 30 days following the end of month, monthly financial statements for the previous month that include a complete profit and loss statement and a balance sheet, a chart of accounts, and an income statement; (2) within 45 days following your Franchised Business’ fiscal year end, an annual profit and loss statement and source and use of funds statement for the Franchised Business for the preceding calendar year and a balance sheet for the Franchised Business as of the end of the year, (3) within 15 days following the end of the previous quarter, quarterly brand services fee reports of weekly revenue and Brand Services Fees due, and (4) by May 1 of each year a copy of your income tax return, sales tax return and/or payroll tax return for the preceding calendar year. If your filing date is extended, a copy of extension request must be submitted to us within 15 days of its filing. You also will provide to us copies of all Records and other information and supporting documents as we designate. All financial statements, reports and information must be on forms we approve and that you have signed and verified.

13. INSPECTION AND AUDITS

A. Our Right to Inspect the Franchised Business. To determine whether you are complying with this Agreement, we may, during regular business hours, inspect the Franchised Business. You will fully cooperate with our representatives making any inspection and will permit our representatives to interview employees and customers of the Franchised Business.

B. Our Right to Examine Books and Records. We may, at all reasonable times and without prior notice to you, examine, audit, or request copies of the Records (including the books, records and state and/or federal income tax records of the Franchised Business) and the federal income tax returns of any Principal Owner. You must maintain all Records and supporting documents at all times at the Franchised Business premises or your corporate office. You will make financial and other information available at a location we reasonably request and will allow us (and our agents) full and free access to any such information at the Franchised Business or your corporate office. You must make copies of any

Records we request and deliver those Records to us or our designee. You otherwise will fully cooperate with our representative and independent accountants hired to conduct any examination or audit.

C. Result of Audit; Unreported Gross Revenue. You must reimburse us for the cost of the audit or examination, including the charges of any independent accountants and the travel expenses, room and board and compensation of our employees, if: (1) an examination or audit is necessary because you failed to timely provide required information; or (2) any examination or audit results in a determination that Gross Revenue for any month is understated by more than 2% or \$2,500 in a 3 month period. The foregoing remedies are in addition to all other of our remedies and rights under applicable law.

14. COVENANTS

A. Non-Solicitation of Customers. You and each Principal Owner and their respective spouses will not, during the Term of this Agreement, and for a period of 2 years thereafter, directly or indirectly, divert or attempt to divert any business, account or customer of the Franchised Business or any other Hello Garage business or the System to any competing business.

B. Covenant Not to Compete During Term. You and each Principal Owner and their respective spouses will not, during the Term of this Agreement, directly, or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any business offering garage renovation services or products that is competitive with a Hello Garage business, except: (i) with our prior written consent; or (ii) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent 1% or less of that class of securities.

C. Post-Term Covenant Not to Compete. You and each Principal Owner and their respective spouses will not, for a period of 2 years after this Agreement expires or is terminated or the date on which you cease to operate the Franchised Business under this Agreement, whichever is later, directly, or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or corporation, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity with any business offering garage renovation services or products that is competitive with or similar to a Hello Garage business: (i) from the Franchised Business premises, (ii) inside the (your former) Protected Territory; (iii) anywhere within a 50 mile radius of the outside boundary of your former Protected Territory; or (iv) within any other Hello Garage franchisees' protected territory. This Section 14(C) will not apply to: (a) other Hello Garage businesses that you operate under Hello Garage franchise agreements; or (b) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent 1% or less of that class of securities. You agree that the length of time in this Section 14(C) will be tolled for any period during which you are in breach of the covenants or we must seek to enforce your obligations in this Section.

D. Injunctive Relief. You agree that damages alone cannot adequately compensate us if there is a violation of any covenant in this Section in that injunctive relief is essential for our protection. You therefore agree that we may seek injunctive relief without posting any bond or security, in addition to the remedies that may be available to us at equity or law, if you or anyone acting on your behalf violates any covenant in this Section. The covenants stated in this Section will survive the termination or expiration of this Agreement.

15. ASSIGNMENT

A. By Us. This Agreement is fully assignable by us and benefits our successors and assigns. Any such assignment will require the assignee to fulfill our obligations under this Agreement.

B. Your Assignment to Corporation or Limited Liability Company. You (as an individual) may assign this Agreement to a corporation or a limited liability company that conducts no business other than the Franchised Business (or other Hello Garage business under franchise agreements with us), provided: (1) you or the Operating Manager actively manage the Franchised Business; (2) you own at least fifty-one percent (51%) of the ownership interest in the corporation or limited liability company and we approve all Principal Owners; (3) you and all Principal Owners of the assignee entity sign the Guaranty and Assumption of Obligations Agreement attached hereto as Exhibit C; (4) you provide us fifteen (15) days' written notice before the proposed date of assignment of this Agreement to the corporation or limited liability company; (5) you provide to us a certified copy of the articles of incorporation, bylaws, operating agreement, organizational documents, and a list of all shareholders or members having beneficial ownership, reflecting their respective interest in the assignee entity; and (6) the organizational documents and all issued and outstanding stock or membership certificates will bear a legend, in form acceptable to us, reflecting or referring to the assignment restrictions stated in Section 15(C) below. You will not pay a transfer fee for an assignment under this Section 15(B).

C. Your Assignment or Sale of Substantially All of Your Assets. You understand that we have granted the Franchise under this Agreement in reliance on your individual or collective character, attitude, business ability and financial capacity. You and your Principal Owners will not transfer (whether voluntary or involuntary), assign or otherwise dispose of, in one or more transactions, your business, the Franchised Business, substantially all or all of the assets of your business, this Agreement or any interest of 10% or more in you unless you obtain our prior written consent. We will not unreasonably withhold our consent to an assignment, provided you comply with any or all of the following conditions which we may deem necessary:

1. You have satisfied all of your accrued monetary obligations to us, our affiliates and your vendors, and you otherwise are in good standing under this Agreement;

2. The transferee-franchisee (or the managing Principal Owners, if applicable) is approved by us and demonstrates to our satisfaction that he/she meets our managerial, financial and business standards for new franchisees, possesses a good business reputation and credit rating, and has the aptitude and ability to conduct the Franchised Business. You understand that we may communicate directly with the transferee-franchisee during the transfer process to respond to inquiries, as well as to ensure that the transferee-franchisee meets our qualifications;

3. The transferee-franchisee signs our then-current standard form of franchise agreement (although such agreement may provide other rights and obligations from those provided in this Agreement);

4. The transferee-franchisee successfully completes the initial training program required of new franchisees;

5. If required, the lessor of the Franchised Business premises consents to your assignment or sublease of the premises to the transferee-franchisee;

6. You pay us an assignment fee equal to ten thousand dollars (\$10,000) and you are responsible for any broker fees associated with any sale;

7. You (and each Principal Owner, if applicable) sign a general release, in form and substance satisfactory to us, of any and all claims against us and our affiliates, officers, directors, employees and agents, except to the extent limited or prohibited by applicable law;

8. We approve the material provisions of the assignment or sale of assets which assignment or sale cannot permit you to retain a security interest in this Agreement or any other intangible asset; and

9. You (and each Principal Owner, if applicable) sign an agreement, in form and substance satisfactory to us, in which you and each Principal Owner covenants to observe the post-termination covenant not to compete and all other applicable post-termination obligations.

D. Your Death or Disability. If you (or the Designated Owner) die or are permanently disabled, your executor, administrator or other personal representative, or the remaining Principal Owners, must appoint (if necessary) a competent Operating Manager acceptable to us within a reasonable time, not to exceed 30 days, from the date of death or permanent disability. The appointed Operating Manager must satisfactorily complete our designated training program. If you have been the designated Operating Manager and an approved Operating Manager is not appointed within 30 days after your death or permanent disability, we may, but are not required to, immediately appoint an Operating Manager to maintain Franchised Business operations on your behalf until an approved assignee can assume the management and operation of the Franchised Business. Our appointment of an Operating Manager does not relieve you of your obligations, and we will not be liable for any debts, losses, costs or expenses you incur in operating the Franchised Business or to any creditor of yours for any products, materials, supplies or services purchased by the Franchised Business while it is managed by our appointed manager. We may charge a reasonable fee for management services and may cease to provide management services at any time.

If you (or the Designated Owner) die or are permanently disabled, your executor, administrator, or other personal representative must transfer your interest within a reasonable time, not to exceed 12 months from the date of death or permanent disability, to a person we approve. Such transfers, including transfers by devise or inheritance, will be subject to conditions contained in Section 15(C) above.

E. Public or Private Offerings. Subject to Section 15(C) above, if you (or any of your Principal Owners) desire to raise or secure funds by the sale of securities (including common or preferred stock, bonds, debentures or general or limited partnership interests) in you or any of your affiliates, you agree to submit to us any written information we request before its inclusion in any registration statement, prospectus or similar offering circular or memorandum and must obtain our written consent to the method of financing before any offering or sale of securities. Our written consent will not imply or represent our approval respecting the method of financing, the offering literature submitted to us or any other aspect of the offering. No information respecting us or any of our affiliates will be included in any securities disclosure document, unless we furnish the information in writing in response to your written request, which request will state the specific purpose for which the information is to be used. Should we, in our discretion, object to any reference to us or any of our affiliates in the offering literature or prospectus, the literature or prospectus will not be used unless and until our objections are withdrawn. We assume no responsibility for the offering.

The prospectus or other literature utilized in any offering must contain the following language in boldface type on the first textual page:

**“NEITHER HELLO GARAGE FRANCHISING, LLC NOR ANY OF ITS AFFILIATES
IS DIRECTLY OR INDIRECTLY THE ISSUER OF THE SECURITIES OFFERED.**

NEITHER HELLO GARAGE FRANCHISING, LLC NOR ANY OF ITS AFFILIATES ASSUMES ANY RESPONSIBILITY RESPECTING THIS OFFERING AND/OR THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED HEREIN. NEITHER HELLO GARAGE FRANCHISING, LLC NOR ANY OF ITS AFFILIATES ENDORSES OR MAKES ANY RECOMMENDATION RESPECTING THE INVESTMENT CONTEMPLATED BY THIS OFFERING.”

F. Our Right of First Refusal. If you or your Principal Owners at any time during the Term of this Agreement desire to sell or assign for consideration the Franchise, the Franchised Business, an ownership interest representing (in the aggregate) 50% or more of the ownership in you or all or substantially all of your assets, you or your Principal Owners must obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and must deliver a copy of the offer to us. We have the right, exercisable by written notice delivered to you or your Principal Owners within 30 days following receipt of the proposed offer, to purchase the interest in the Franchised Business or your ownership interest for the price and on terms contained in the offer. We may substitute cash for any non-cash form of payment proposed in the offer and will have a minimum of 60 days to prepare for closing. If we do not exercise our right of first refusal, you or your Principal Owners may complete the sale to the proposed purchaser under the terms of the offer, provided you and the Principal Owners otherwise comply with this Section 15. If the sale to the proposed purchaser is not completed within 180 days after delivery of the offer to us, or if there is a material change in the terms of the sale, we again have the right of first refusal.

G. Guaranty. All Principal Owners of you will sign the Guaranty and Assumption Agreement in the form attached to this Agreement as Exhibit C (the “Guaranty Agreement”). Any person or entity that at any time after the date of this Agreement becomes a Principal Owner of you under the provisions of this Section 15 or otherwise will, as a condition of becoming a Principal Owner, sign the Guaranty Agreement. You will furnish to us at any time upon reasonable request a certified copy of the Articles of Incorporation or Articles of Organization and a list, in a form we reasonably require, of all shareholders or members of record and all persons having a beneficial interest in any corporation or other entity that is or becomes a franchisee.

16. FRANCHISOR’S TERMINATION RIGHTS

A. Termination of Franchise Agreement - Grounds. You will be in default, and we may, at our option, terminate this Agreement, as provided herein, if: (1) you (or the Designated Owner or other approved managers or employees) fail to satisfactorily complete the initial training program or fail to open and commence operations of the Franchised Business at such time as provided in this Agreement; (2) you violate any material provision or obligation of this Agreement; (3) you or any of your managers, directors, officers or any Principal Owner make a material misrepresentation or omission in the application for the Franchise; (4) you or any of your managers, directors, officers or any Principal Owner are convicted of, or plead guilty to or no contest to a felony, a crime involving moral turpitude, or any other crime or offense that we believe will injure the System, the Marks or the goodwill associated therewith, or if we have proof that you have committed such a felony, crime or offense; (5) you fail to comply with the material requirements of the System or the material standards of uniformity and quality for the products and services as described in the Manuals or in other communications we have provided; (6) you fail to timely pay Brand Services Fees or any other obligations or liabilities due and owing to us or our affiliates or suppliers we approve as a source for required items; (7) you file, or indicate you will imminently file, for bankruptcy or you are otherwise insolvent within the meaning of any applicable state or federal law; (8) you make an assignment for the benefit of creditors or enter into any similar arrangement for the disposition of your assets for the benefit of creditors; (9) you voluntarily or

otherwise “abandon” (as defined below) the Franchised Business; (10) you are involved in any act or conduct which materially impairs or otherwise is prejudicial to the goodwill associated with the name “Hello Garage,” any of the Marks, or the System; (11) you or a Principal Owner make an unauthorized assignment or transfer of this Agreement, the Franchised Business or an ownership interest in you; (12) you develop or use an unapproved website in connection with the Franchised Business or otherwise conduct any unauthorized activity on the Internet in violation of Section 7(C) above; (13) you fail to comply with the Minimum Performance Requirement Per Protected Territory outlined in Section 2(E) above; (14) you are evicted from, or otherwise lose your lease; (15) you disclose Confidential Information; or (16) you fail to keep accurate financial statements. “Abandon” means your failure to conduct appointments or installations for a period of 7 consecutive days, your failure to spend at least \$1,000 on digital marketing in a one-month period, or your failure to collect at least \$10,000 in Gross Revenue from customers in your Territory in a one-month period without our prior written consent unless such failure is due to an event of “*force majeure*” as further described in Section 20(H) below.

B. Procedure. Except as described below, you will have 30 days, or such longer period as applicable law may require, after you receive from us a written notice of default within which to remedy any default hereunder, and to provide evidence thereof to us. If you fail to correct the alleged default within that time (or such longer period of time as applicable law may require), this Agreement will terminate without further notice to you effective immediately when the 30 day period (or such longer period as applicable law may require) expires. You will have 10 days, or such longer period as applicable law may require, after you receive from us a written notice of default within which to remedy any monetary default under this Agreement or any other agreement between you and us or our affiliates. If you fail to correct the alleged monetary default within that time (or such longer period of time as applicable law may require), this Agreement will terminate without further notice to you effective immediately when the 10 day period (or such longer period as applicable law may require) expires. We may terminate this Agreement immediately upon delivery of written notice to you, with no opportunity to cure, if the termination results from any of the following: (1) you fail to comply with one or more material requirements of this Agreement on 3 separate occasions within any 12 month period; (2) the nature of your breach makes it not curable; (3) you willfully and repeatedly deceive customers relative to the source, nature or quality of goods sold; (4) any default under items (3), (4), (7), (8), (9), (10), (11), (12), (14), or (15) in Section 16(A) above; or (5) you willfully and materially falsify any report, statement, or other written data furnished to us either during the franchise application process or after you are awarded a franchise. Any report submitted under Section 12(B) will be conclusively deemed to be materially false if it understates Gross Revenue by more than 5% or \$1,000 in a particular month.

C. Applicable Law. If the provisions of this Section 16 are inconsistent with applicable law, the applicable law will apply.

17. FRANCHISEE’S TERMINATION RIGHTS

You may terminate this Agreement if we violate any of our material obligations to you and fail to cure such violation within 60 days after our receipt of written notice from you; provided, however, that you are in substantial compliance with the Agreement at the time you give such notice of termination. Your written notice must identify the violation and demand that it be cured.

18. FRANCHISEE OBLIGATIONS UPON TERMINATION

A. Post-Term Duties. If this Agreement expires or is terminated for any reason other than a termination as a result of our breach, you will:

1. within 10 days after termination or expiration, pay all amounts due and owing to us or our affiliates, including all Brand Services Fees and accrued interest due under this Agreement;

2. within 10 days after termination or expiration, pay us a non-refundable customer complaint fee equal to 3% of the aggregate amount of all Gross Revenue during the 24 months immediately preceding the date of termination or expiration of this Agreement in consideration for customer complaints that we may address related to the operation of your Franchised Business; provided that if we incur costs that exceed that amount, you must indemnify us for such additional amounts;

3. discontinue using, and return to us by first class prepaid United States mail any hard copies of, and delete all electronic copies of, the Manuals and any other manuals, advertising materials, and all other printed materials relating to the operation of the Franchise;

4. cease using and assign to us or, at our discretion, disconnect the telephone number for the Franchised Business. You acknowledge that we have the sole right to and interest in all telephone numbers and directory listings associated with the Marks or used in connection with operating the Franchised Business, and you authorize us, and appoint us as your attorney-in-fact, to direct the telephone company and all listing agencies to transfer such numbers and listings to us;

5. cease using and assign to us all email addresses or social media accounts used in connection with the Franchised Business;

6. remove from the Franchised Business premises and from any vehicle used in operating the Franchised Business, all signs, posters, fixtures, decals, wall coverings and other materials that are distinctive of a Franchised Business or bear the name Hello Garage or other Marks or any name or mark substantially similar to any Mark;

7. discontinue using the Proprietary Software, including the return of all materials relating to the Proprietary Software, and provide us or our designee with full access to your Computer System hard drive to delete the Proprietary Software and related content;

8. take all necessary action to cancel all fictitious or assumed name or equivalent registrations relating to your use of any of the Marks;

9. immediately cease using Confidential Information and return to us all documents, including those documents in electronic format, that contain Confidential Information;

10. cease using and transfer to us all Customer Data; and

11. comply with all other applicable provisions of this Agreement, including the non-compete provisions.

Upon termination of this Franchise Agreement for any reason, your right to use the name Hello Garage and the other Marks and the System will immediately terminate and you (and the Principal Owners) will not in any way associate yourself/themselves as being associated with us. If you fail to remove all signs and other materials bearing all or any portion of the Marks, we may do so at your expense.

B. Our Option To Purchase Franchised Business. If this Agreement expires or is terminated for any reason (other than our fault), we have the option, upon 30 days' written notice from the date of expiration or termination, to purchase from you any or all the tangible and intangible assets relating to the Franchised Business, including the Franchised Business premises if you own the Franchised Business premises (excluding any unsalable inventory, cash, short-term investments and accounts receivable)

(collectively, the “Purchased Assets”) and to an assignment of your lease for (1) the Franchised Business premises (or, if an assignment is prohibited, a sublease for the full remaining term under the same provisions as your lease) and (2) any other tangible leased assets used in operating the Franchised Business. If the landlord respecting the lease for the Franchised Business premises is an affiliate of you (controlling, controlled by or under common control with you) we will have the right to assume the lease on terms generally consistent with then-current market rates for space in the immediate area surrounding the Franchised Business location. We may assign to a third party this option to purchase and assignment of leases separate and apart from the remainder of this Agreement. While we have the option to have the lease for the Franchised Business premises assigned to us, we do not have the obligation to take over the lease for the Franchised Business premises.

The purchase price for the Franchised Business will be the fair market value of the Purchased Assets; provided that: (1) we may exclude from the Purchased Assets any products or other items that were not acquired in compliance with this Agreement; and (2) we may exclude from fair market value any provision for goodwill or similar value attributable to intangible property (such as the Marks and Confidential Information). If the parties cannot agree on fair market value within a reasonable time, we will designate an independent appraiser to determine the fair market value of the Purchased Assets. The determination of such appraiser will be binding on the parties hereto, and the costs of such appraisal will be divided equally between you and us. The purchase price, as determined above, will be paid in cash at the closing of the purchase, which will occur within a reasonable time, not to exceed 60 days, after the fair market value is determined. At the closing, you will deliver documents transferring good and merchantable title to the assets purchased, free and clear of all liens, encumbrances and liabilities to us or our designee and such other documents we may reasonably request to permit us to operate the Franchised Business without interruption. We may set off against and reduce the purchase price by all amounts you owe to us or any of our affiliates. If we exercise our option to purchase the Franchised Business, we may, pending the closing, appoint a manager to maintain Franchised Business operations.

If we assume the lease for the Franchised Business under this Section, you will pay, remove or satisfy any liens or other encumbrances on your leasehold interest and will pay in full all amounts due the lessor under the lease existing at or prior to assumption. We are not liable for any obligation you incur before the date we assume the lease.

C. Continuing Obligations. All obligations of us and you which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect following its expiration or termination and until they are satisfied or expire.

19. DISPUTE RESOLUTION

A. Venue. Any claims, controversies or disputes arising out of or related to this Agreement will be brought in the federal or state court located in Douglas County, Nebraska. We and you irrevocably consent to the jurisdiction of such courts. The provisions of this Section 19(A) will survive the termination of this Agreement.

B. Governing Law. Subject to our rights under federal trademark laws, this Agreement will be governed by and construed under the procedural and substantive laws of the state of Nebraska, without regard to any conflict of laws principles of such state. You waive, to the fullest extent permitted by law, the rights and protections that might be provided through any state franchise or business opportunity laws, other than those of the state in which the Franchised Business is located.

C. Injunctive Relief. You recognize that a single franchisee’s failure to comply with the terms of this Agreement could cause irreparable damage to us and/or to some or all other Hello Garage

franchisees. Therefore, if you breach or threaten to breach any of the terms of this Agreement, we will be entitled to an injunction restraining such breach and/or a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining such equitable relief.

D. Attorneys' Fees. The non-prevailing party will pay all costs and expenses, including reasonable attorneys' fees, the prevailing party incurs in any action brought to enforce any provision of this Agreement or to enjoin any violation of this Agreement.

E. Claims. You and your Principal Owners and guarantors may not assert any claim or cause of action against us or our affiliates relating to this Agreement or your Franchised Business after the shorter period of the applicable statute of limitations or one year following the effective date of termination of this Agreement; provided that where the one year limitation of time is prohibited or invalid under any applicable law, then and in that event no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations.

20. ENFORCEMENT

A. Severability. 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 and binding law or rule of any jurisdiction requires a greater prior notice of the termination or non-renewal of this Agreement than is required, or the taking of some other action not required, the prior notice and/or other action required by law or rule will be substituted for the comparable provisions.

B. Waiver of Obligations. Our waiver of any breach by you, or our delay or failure to enforce any provision of this Agreement, will not be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights respecting that or any other breach. In addition, acceptance by us of any payments or partial payments due to us under this Agreement shall not be deemed a waiver by us of any preceding or succeeding breach by you of any terms, provisions, covenants, or conditions of this Agreement, or other amounts due.

C. Rights of Parties are Cumulative. The rights that we and you have are cumulative and no exercise or enforcement by either party of any right or remedy precludes such party from exercising or enforcing any other right or remedy to which such party is entitled by law or equity to enforce.

D. Binding Effect. This Agreement is binding upon the parties and their respective executors, administrators, heirs, assigns, and successors in interest, and will not be modified except by written agreement signed by both you and us. Except as provided above, this Agreement is not intended, and will not be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

E. Interpretation of Rights and Obligations. The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement and the relationship between the parties:

1. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

2. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree or are required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise “reasonable business judgment” in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of “reasonable business judgment,” even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended to promote or benefit the System generally even if the decision or action also promotes a financial or other of our individual interests. Examples of items that will promote or benefit the 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 System. Neither you nor any third party (including a trier of fact) will substitute their judgment for our reasonable business judgment.

F. WAIVER OF PUNITIVE DAMAGES. YOU AND WE AND OUR AFFILIATES AGREE TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR A CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF ANY DISPUTE BETWEEN US, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT.

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

H. Force Majeure. If any party fails to perform any obligation under this Agreement due to a cause beyond the control of and without the negligence of such party, such failure will not be deemed a breach of this Agreement, provided such party uses reasonable best efforts to perform such obligations as soon as possible under the circumstances. Such causes include strikes, wars, riots, civil commotion, pandemics, and acts of government, except as may be specifically provided for elsewhere in this Agreement.

I. Notice of Our Potential Profit. We advise you that we and/or our affiliates periodically may make available to you goods, products and/or services for use in the Franchised Business on the sale of which we and/or our affiliates may make a profit. We further advise you that we and our affiliates periodically may receive consideration from suppliers and manufacturers respecting sales of goods, products or services to you or in consideration for services provided or rights licensed to such persons. You agree that we and our affiliates will be entitled to such profits and consideration.

J. Entire Agreement. The “Introduction” section, Exhibits A, B and C to this Agreement, the Software as a Service Agreement, and that certain Franchisee Disclosure Acknowledgment Agreement signed contemporaneously by you are a part of this Agreement, represent the entire agreement of the parties, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement. Nothing in this Agreement is intended to disclaim the representations we made in the Franchise Disclosure Document we provided to you.

K. State-Specific Addenda. In addition to Section 20(J) above, the state-specific addendum(a) attached to this Agreement as Exhibit D are incorporated herein by reference only to the extent that you, the Principal Owner(s), and the provisions of this Agreement satisfy the jurisdictional requirements of the applicable state-specific addendum(a) (the “Applicable State-Specific Addendum”). If the jurisdictional requirements are not independently met, there is no state-specific addendum that applies to this Agreement. To the extent there is an Applicable State-Specific Addendum that applies to

this Agreement, and the Applicable State-Specific Addendum is deemed to be inconsistent with the terms or conditions of this Agreement, the terms of the Applicable State-Specific Addendum shall control.

L. Counterparts. This Agreement may be signed in multiple counterparts, and the signature pages may be exchanged between the parties via facsimile or email, and all of which, when taken together, will constitute one original Agreement. A fully signed copy of this Agreement will have the same force and effect as the original.

21. NOTICES

All written notices and reports permitted or required to be delivered by the provisions of this Agreement will be delivered by hand, sent by a recognized overnight delivery service or by registered U.S. Mail, or by other means which provides the sender with evidence of delivery, or of rejected delivery, and addressed to the party to be notified at the address stated herein or at such other address as may have been designated in writing to the other party. Any notice by a means which provides the sender with evidence of delivery, or rejected delivery, will be deemed to have been given at the date and time of receipt or rejected delivery.

22. ACKNOWLEDGEMENTS

A. Success of Franchised Business. The success of the business venture you intend to undertake under this Agreement is speculative and depends, to a large extent, upon your (or the Principal Owner's) ability as an independent businessman, and your active participation in the daily affairs of the Franchised Business as well as other factors. We do not make any representation or warranty, express or implied, as to the potential success of the business venture.

B. Independent Investigation. You acknowledge that you have entered into this Agreement after making an independent investigation of our operations and not upon any representation as to gross revenues, volume, potential earnings or profits which you might be expected to realize, nor has anyone made any other representation, which is not expressly stated herein, to induce you to accept this franchise and sign this Agreement.

C. Receipt of Documents. You represent and acknowledge that you have received our Franchise Disclosure Document at least 14 calendar days before the date of the execution of this Agreement. In addition, you represent and acknowledge that you received from us a copy of this Agreement with all material blanks filled in at least 7 calendar days before the date of execution of this Agreement. You represent that you have read this Agreement in its entirety and that you have been given the opportunity to clarify any provisions that you did not understand and to consult with any attorney or other professional advisor. You further represent that you understand the provisions of this Agreement and agree to be bound.

D. Other Franchises. You acknowledge that our other franchisees of the Company have or will be granted franchises at different times and in different situations, and further acknowledge that the provisions of such franchises may vary substantially from those contained in this Agreement.

The parties have signed this Agreement on the date stated in the first paragraph.

COMPANY/US:

FRANCHISEE/YOU:

HELLO GARAGE FRANCHISING, LLC

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

EXHIBIT A
TO FRANCHISE AGREEMENT
FRANCHISED BUSINESS LOCATION AND PROTECTED TERRITORY

EXHIBIT A

FRANCHISED BUSINESS LOCATION, PROTECTED TERRITORY AND INITIAL FRANCHISE FEE

1. Franchised Business Location. The Franchised Business will be located at the following premises, which is located inside the Protected Territory(ies):
_____.

If the premises for the Franchised Business has not been designated as of the Effective Date, we will update this Exhibit A to include the address for the Franchised Business premises once determined.

2. Protected Territory. The Protected Territory includes the following protected territories:

Protected Territory #1. _____

Protected Territory #2. _____

Protected Territory #3. _____

Protected Territory #4. _____

3. Initial Franchise Fee. The Initial Franchise Fee is equal to \$_____.

4. Designated Owner. The Designated Owner is: _____.

5. Minimum Local Advertising Spend Requirement. The Minimum Local Advertising Spend Requirement is the greater of \$_____ per calendar year or 10% of Gross Revenue during such calendar year.

6. Defined Terms. All capitalized terms contained in this Exhibit A and not defined herein will have the same meaning as provided in the Franchise Agreement.

EXHIBIT B
TO FRANCHISE AGREEMENT
ELECTRONIC TRANSFER OF FUNDS FORM

EXHIBIT B TO FRANCHISE AGREEMENT

ACH AUTHORIZATION

Date: _____, 20____

I, the undersigned officer of _____ (“Franchisee”), hereby authorize Hello Garage Franchising, LLC and Supportworks, Inc. to withdraw or deposit funds, utilizing the following account, by ACH draft or electronic debit for payment or receipt of funds relating to Brand Services Fees, Technology Fees, system marketing fees, contributions or payment of goods or services. If Franchisee has not established an account for ACH/debit payments as of the execution date of the Franchise Agreement, Franchisee agrees to provide to Hello Garage Franchising, LLC and Supportworks, Inc. the missing information before commencement of the initial training program.

Name on the Account: _____

Address: _____

City, State, Zip: _____

Bank Routing Number: _____

Bank Account Number: _____

E-mail Confirmation: _____

Signature: _____

Name: _____

Title: _____

EXHIBIT C
TO FRANCHISE AGREEMENT
GUARANTY AND ASSUMPTION OF OBLIGATIONS AGREEMENT

EXHIBIT C

GUARANTY AND ASSUMPTION OF OBLIGATIONS AGREEMENT

In consideration of the execution of the Franchise Agreement, Software as a Service Agreement, and Supply Agreement, all dated _____ (collectively, the “Agreements”) by Hello Garage Franchising, LLC or Supportworks, Inc. (collectively, “we” or “us”), each of the undersigned (a “Guarantor”) personally and unconditionally guarantees to us, and our successors and assigns, for the term of the Agreements and thereafter as provided in the Agreements that _____ (the “Franchisee”) will timely pay and perform each and every undertaking, agreement and covenant stated in the Agreements; and agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreements.

Each of the undersigned waives: (1) acceptance and notice of acceptance by us of the foregoing undertaking; (2) notice of demand for payment of any indebtedness; (3) protest and notice of default to any party respecting the indebtedness; (4) any right he/she may have to require that an action be brought against Franchisee or any other person as a condition of liability.

Each Guarantor consents and agrees that:

(1) Guarantor’s liability under this undertaking will be direct and independent of the liability of, and will be joint and several with, Franchisee and Franchisee’s other Guarantors;

(2) Guarantor will make any payment or perform any obligation required under the Agreements upon demand if Franchisee fails to do so;

(3) Guarantor’s liability hereunder will not be diminished or relieved by bankruptcy, insolvency or reorganization of Franchisee or any assignee or successor;

(4) Guarantor’s liability will not be diminished, relieved or otherwise affected by any extension of time or credit which we may grant to Franchisee, including the acceptance of any partial payment or performance, or the compromise or release of any claims;

(5) We may proceed against Guarantor and Franchisee jointly and severally, or we may, at our option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee or any other Guarantor;

(6) Guarantor will be personally bound by each and every condition and term contained in the Agreements, including but not limited to the non-compete provisions in Section 14 and the dispute resolution provisions contained in Section 19 of the Franchise Agreement; and

(7) Guarantor will pay all reasonable attorneys’ fees and all costs and other expenses we incur in enforcing this Guaranty and Assumption of Obligations Agreement (this “Guaranty Agreement”) against Guarantor or any negotiations relative to the obligations hereby guaranteed.

Guarantor(s) agree that the following Sections of the Franchise Agreement apply to Guarantor(s) and to this Guaranty Agreement: Section 20(A) (Survival); Section 19(D) (Attorneys' Fees); Section 20(B) (Waiver of Obligations); Section 19(A) (Venue); Section 19(B) (Governing Law); Section 19(C) (Injunctive Relief); Section 19(E) (Claims); Section 20 (F) (Waiver of Punitive Damages); Section 20(G) (Waiver of Jury Trial); Section 20(D) (Binding Effect); Section 20(E) (Interpretation of Rights and Obligations); Section 20(J) (Entire Agreement); and Section 21 (Notices).

Each of the undersigned has signed this Guaranty Agreement as of the same day and year as the Agreements were executed.

GUARANTOR(S) (PERCENTAGE OF OWNERSHIP)

_____ ()

_____ ()

_____ ()

_____ ()

EXHIBIT D
TO FRANCHISE AGREEMENT
STATE-SPECIFIC FRANCHISE AGREEMENT ADDENDA

CALIFORNIA ADDENDUM
TO THE HELLO GARAGE 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.

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:

1. The Franchise Agreement requires you 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).
2. The Franchise Agreement requires application of the laws of Nebraska. This provision may not be enforceable under California law.
3. 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.
4. 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.
5. Sections 22A, 22B, and 22C of the Franchise Agreement are hereby deleted in their entirety.

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.

ILLINOIS ADDENDUM
TO THE HELLO GARAGE FRANCHISE AGREEMENT

To the extent the Illinois Franchise Disclosure Act, 815 ILCS 705/ applies, the terms of this Addendum apply.

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:

1. Illinois law governs the Franchise Agreement.
2. 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.
3. 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.
4. Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.
5. Before you open your franchised business, you must complete a multi-faceted initial training program including webinars and in-person training in Papillion, Nebraska. If you do not complete training and open for business within 90 days of signing the Franchise Agreement, your franchise may be terminated and you will lose your investment.
6. While the Franchisor discloses that you will receive a “Protected Territory,” you will NOT have any EXCLUSIVE rights to any territory.
7. “Designated Accounts” (National Accounts) exist in this franchise system. The Franchisor establishes all of the rules for these accounts. You must participate in, comply with the terms, and pay all required fees associated with "Designated Accounts." See Item 12 in the disclosure document.
8. Attachment H to the FDD, Disclosure Acknowledgment 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.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISEE:

FRANCHISOR:

HELLO GARAGE FRANCHISING, LLC

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

MARYLAND ADDENDUM
TO THE HELLO GARAGE 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.

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:

1. 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.
2. 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.
3. 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.
4. The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee
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.
6. Sections 22of the Franchise Agreement is hereby deleted in its entirety.

MINNESOTA ADDENDUM
TO THE HELLO GARAGE FRANCHISE AGREEMENT

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

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:

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.

6. Any claims franchisee may have against the franchisor that have arisen under the Minnesota Franchise Laws shall be governed by the Minnesota Franchise Law.

7. The Franchise Agreement contains a waiver of jury trial provision. This provision may not be enforceable under Minnesota law.

8. 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.

9. 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.

NEW YORK ADDENDUM
TO THE HELLO GARAGE FRANCHISE AGREEMENT

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

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:

1. 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.
2. 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.
3. The New York Franchise Law shall govern any claim arising under that law.

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.

VIRGINIA ADDENDUM
TO THE HELLO GARAGE 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.

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:

1. 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.
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.

WASHINGTON ADDENDUM
TO THE FRANCHISE AGREEMENT AND RELATED AGREEMENTS

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

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

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.

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

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

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

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.

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 initial training that it is entitled to under the franchise agreement or offering circular, and (b) 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.

Section 22 of the Franchise Agreement is hereby deleted in its entirety.

WISCONSIN ADDENDUM
TO THE HELLO GARAGE FRANCHISE AGREEMENT

To the extent the Wisconsin Franchise Investment Law, Wis. Stat. §§553.01 – 553.78 or Wisconsin Fair Dealership Law, Wis. Stat. §§135.01 – 135.07 applies, the terms of this Addendum apply.

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:

1. To the extent any of the provisions regarding notice of termination or change in dealership are in conflict with Section 135.04 of the Wisconsin Fair Dealership Law, the Wisconsin law shall apply.

ATTACHMENT C
TO HELLO GARAGE FDD

LIST OF CURRENT FRANCHISEES AS OF DECEMBER 31, ~~2022~~2023

Owner Name	State	# of Territories	Phone	Address
Darrin Lingel Cody Lingel Todd Lingel	AZ	4	541-993-3026 541-4905171	130 West Hampton Avenue, Suite 20, Mesa, AZ 85210
Dennis Abramowicz	CA	2	707-999-0807	113 Carriage Way, Vacaville, CA 95688
Javin & Wendy Baker	CO	4	719-641-3576	3236 Shalimar Terrace, Pueblo, Colorado 81008
Travis Sagrillo & Lee Strickler	CO	3	303-653-5577	1073 Copper Hill Court, Louisville, CO 80027
Cale Broek	CO	2	404-683-3948	9807 Bennett Peak Street Littleton, CO 80125
Karen Lilley	CO	2	303-241-3473	6969 W. Yale Ave, #32, Denver, CO 80227
William Anderson, Gary Lawson, Lydia Lawson, Heather Anderson	DE/MD	2/2	302-424-9910	16505 Beach Highway Ellendale, DE 19941
Christoph Chanange	FL	2	689-233-6037	4327 South Hwy 27 #316, Clermont, FL 34711
Jeremy Tenney	FL	2	407-431-9569	3001 Aloma Avenue Winter Park, FL 32792
Michel Haydamous*	FL	3		3708 Southwest 30th Avenue Fort Lauderdale, FL 33312
Eric Yates	FL	3	813-230-4810	3254 Heart Pine Ave, Odessa, Florida FL 33556
Zenon Olbrys	GA	4	813-310-3959	2617 Sandy Plains Road, Suite 1200, Marietta, Georgia 20066
Justin Worthy	GA	3	619-616-0305	1080 Nine North Drive, Alpharetta, GA 30004
Andrew Bernard	GA	3	404-429-1514	120 Briar Meadow Ct, Fayetteville, GA 30215
Ben George	IA/IL	2/2	319-610-4166	1917 E 60th Circle, Davenport, IA 52807
Brian & Terra Wheeler	ID	2	208-794-3332	400 E 52 nd Street, Garden City, ID 83714
Stuart Eberle	IL	1	618-604-1640	121 Woods Edge Drive, Belleville, IL 62221
Luke McColgan	IL	3	630-210-5293	12821 Hawks Bill Lane, Plainfield, Illinois 60585
Chad Abel*	IN	2	317-716-7541	12955 Cyntheanne Rd, Fishers, IN 46037
Donnie Draper Tom Rogers	KY	2	859-576-4804 859-396-5923	300 Richardson Place, Lexington, KY, 40509
Edward Krieger	MI	3	616-350-7978 616-350-7978	2505 South Waverly Highway, Lansing, MI 48911
Ryan Mathre	MN	3	651-335-2338	1911 Oak Glen Place Stillwater, MN 55082
Mick Verdeck	MN	3	763-218-1869	9824 Wentworth Avenue South Minneapolis, MN 55420
Nate Siebel Craig Burroughs	MO	2	636-293-6843	41 Trailhead Way, Dardenne Prairie, Missouri, 63368

Nicholas Drake Rob Kletzker	NC/SC	2/1	704-999-1680	300 Magnolia Avenue, Unit 105, Charlotte, North Carolina 28203
Jerome Touchstone	NC	3	404-387-6393	1333 Richland Drive, Charlotte, North Carolina 28211
Keith Bullock Melaney Robbins	NC	1	910-471-3687 910-279-1960	5158 Minnesota Drive SE, Southport, NC, 28461
Patrick Metke	NC	6	917-756-4213	160 Kings Ridge Court, Southern Pines, NC 28387
Peter Longo Dennis Stein Chad Wolfe	NY	3	631-327-4510	80 West Industry Court, Deer Park, NY 11729
John Bradley	NY	3	315-863-3140	63 Leitch Avenue, Skaneateles, NY, 13152
Michael Ortiz	NY/CT	1/1	646-752-2004	7 Pomander Drive, White Plains, NY, 10607
Dave Reek	ND	1	701-306-6999 <u>701-306-6999</u>	3389 First Street East, West Fargo, ND, 58078

<u>Owner Name</u>	<u>State</u>	<u># of Territories</u>	<u>Phone</u>	<u>Address</u>
Kyle Ingraham Tony Schirmann	OH	<u>43</u>	513-253-6495	6024 Kenwood Road, Cincinnati, OH 05243
Matthew Tripp	OH	4	614-946-0506	6090 Brookview Manor Drive, Galena, OH 43021
Kameron Phillips	OK	1	405-435-4441	13148 Linden St. NW, Piedmont, OK 73078
Daniel Knapp	OK	2	888-594-2724	1208 S. Hudson Ave., Suite E, Tulsa, OK, 74112
Daniel Piasecki	PA	2	412-508-1128	200 Carry Back Court, Cranberry Township, Pennsylvania 16066
Bryan Sferra	PA	2	724-244-0696	101 Beechmont Ave., Pittsburgh, PA, 15229
Hilaire Lanaux III	TN	3	504-722-2799	2644 Fox Creek Dr, Germantown, TN, 38138
Bryan Schreiber	TN	2	865-599-7014	2627 E. Broadway, Maryville, Tennessee 37804
Michael Heyen	TN	2	615-454-1089	1785 Masters Drive, Franklin, TN, 37064
Matt Poulter Ken Robison	TX	10	641-651-0577	7212 Buckleigh Point McKinney, TX 75071
Eric Maier	TX	6	713-296-0656	2007 Chaparral Drive, Houston, TX 77043
Brian Scott	TX	7	925-548-6766	731 Broken Lance, Dripping Springs, TX 78620
Leopoldo Suarez	TX	9	832-715-1095	2252 Teas Crossing Drive, Conroe, TX 77304
Dennis Jared Jensen	UT	3	951-333-1023	48 East Blue Heron Drive, Saratoga Springs, UT, 80045
Brain Canterbury*	VA	6	703-731-3168	6422 6 th Street, Alexandria, VA, 22312
Siddarth Rao*	WA	4	650-248-4432	16513 Northeast 1 st Street, Bellevue, WA, 98008
Cindy Budiak Jamie Budiak	WI	1	920-716-1074	W6963 Firelane 3, Menasha, WI, 54952
<u>Andrew McCune</u>	<u>CO</u>	<u>5</u>	<u>720-819-5341</u>	<u>2631 South Wolff Way, Denver, CO 80219</u>
<u>Jack Veltema</u>	<u>MN</u>	<u>1</u>	<u>248-227-2166</u>	<u>5135 Dayton Drive, Troy, MI 48085</u>
<u>Adam Rosenkranz</u>	<u>CA</u>	<u>3</u>	<u>847-331-0971</u>	<u>72615 Deer Grass Drive, Plam Springs, CA 92260</u>
<u>Christopher Cabiness</u> <u>Sandra Cabiness</u>	<u>TX</u>	<u>3</u>	<u>214-300-8101</u>	<u>4115 Bent Oaks Drive, Arlington, TX 76001</u>
<u>David Scorpio</u> <u>Anthony Scorpio</u>	<u>RI/MA</u>	<u>1/1</u>	<u>401-580-7853</u>	<u>21 Hollyhock Drive, Cranston, RI 02920</u>
<u>Michael Quinn*</u>	<u>PA</u>	<u>2</u>	<u>484-356-8643</u>	<u>1 Adelpia Road, Springs, PA 19425</u>
<u>Justin Athey*</u>	<u>GA</u>	<u>1</u>	<u>614-581-7447</u>	<u>155 Flowing Spring Tail, Roswell, GA 30075</u>

Notes:

* Indicates franchisees that have signed a franchise agreement but have not yet opened their Franchised Business as of December 31, ~~2022~~2023.

LIST OF FORMER FRANCHISEES AS OF DECEMBER 31, ~~2022~~2023

List of franchisees who transferred an outlet(s) or had an outlet(s) terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the 12- month period ending December 31, ~~2022~~2023, or who has not communicated with us 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 transfer an outlet(s) or had an outlet(s) terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement.

Name	City, State	Number
Darrin Lingel, Cody Lingel & Todd Lingel	Mesa, AZ	541-993-3026 541-4905171
Eric Maier	Houston, TX	713-296-0656
Zenon Olbrys	Marietta, GA	813-310-3959
Leopoldo Suarez	Conroe, TX	832-715-1095
Justin Worthy	Alpharetta, GA	619-616-0305
Travis Sagrillo & Lee Strickler	Louisville, CO	303-653-5577
Javin & Wendy Baker	Pueblo, CO	719-641-3576
John Passarelli	Bethel CT	(914) 519-8805
Raven and Robert Sanders	Orlando, FL	(407) 406-0982
Kimberly Marmolejo	Naperville, IL	(331) 452-5242
Andrew Hayes Bernard	Tulsa, OK Fayetteville, GA	(918) 706-4397404- 429-1514
Matthew Tripp	Galena, OH	614-946-0506
Karen Lilley	Denver, CO	303-241-3473
Michel Haydamous	Fort Lauderdale, FL	786 - 589-7060
Luke McColgan	Plainfield, IL	630-210-5293
Cale Brock	Littleton, CO	404-683-3948
William Cantey	Columbia, SC	(803) 600-5058

ATTACHMENT D
TO HELLO GARAGE FDD
STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4 th 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 st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21 st Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner (Agent) North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth 14 th Floor, Dept. 414 Bismarck, ND 58505-0510 701-328-4712
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 69-1 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 th 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

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
		Madison, WI 53705

ATTACHMENT E
TO HELLO GARAGE FDD
STATE ADDENDA TO THE FDD

CALIFORNIA ADDENDUM
TO THE HELLO GARAGE FDD

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.

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.DFPL.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.

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).

The franchise agreement requires application of the laws of Nebraska. This provision may not be enforceable under California law.

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

Attachment H, Franchisee Disclosure Acknowledgment Agreement, is hereby deleted in its entirety.

~~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.~~

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.

ILLINOIS ADDENDUM
TO HELLO GARAGE FDD

To the extent the Illinois Franchise Disclosure Act, 815 ILCS 705/ applies, the terms of this Addendum apply.

Item 11, Additional Disclosures. The following statements are added to Item 11:

Before you open your franchised business, you must complete a multi-faceted initial training program including webinars and in-person training in Papillion, Nebraska. If you do not complete training and open for business within 90 days of signing the Franchise Agreement, your franchise may be terminated and you will lose your investment.

Item 12, Additional Disclosures. The following statements are added to Item 12:

While the Franchisor discloses that you will receive a “Protected Territory,” you will NOT have any EXCLUSIVE rights to any territory.

“Designated Accounts” (National Accounts) exist in this franchise system. The Franchisor establishes all of the rules for these accounts. You must participate in, comply with the terms, and pay all required fees associated with "Designated Accounts.” See Item 12 in the disclosure document.

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

Illinois law governs the Franchise Agreement.

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.

Attachment H, Franchisee Disclosure Document Questionnaire.

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 HELLO GARAGE FDD

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 17, Additional Disclosures:

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

You may bring a lawsuit 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 3 years after the grant of the franchise.

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.

Attachment H, Disclosure Acknowledgment 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.

MINNESOTA ADDENDUM
TO HELLO GARAGE FDD

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

State Cover Page and Item 17, Additional Disclosures:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the Disclosure Document shall abrogate or reduce any of your rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.

Item 6, Additional Disclosure:

NSF checks are governed by Minn. Stat. 604.113, which puts a cap of \$30 on service charges.

Item 13, Additional Disclosures:

The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes upon the trademark rights of the third party. The franchisor does not indemnify against the consequences of a franchisee's use of a franchisor's trademark except in accordance with the requirements of the franchise agreement, and as the condition to an indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender the defense of the claim to the franchisor. If the franchisor accepts tender of defense, the 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.

Item 17, Additional Disclosures:

Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.

We will comply with Minn. Stat. Sec. 80C.14, subs. 3, 4 and 5, which requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure), 180 days' notice for nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01 – 80C.22.

The limitations of claims section must comply with Minn. Stat. Sec. 80C.17, subd. 5.

Attachment H, Franchisee Disclosure Document Questionnaire:

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

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. The following information is added to the Cover Page, Additional Disclosure of the Franchise Disclosure Document.

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN ATTACHMENT D OR YOUR PUBLIC LIBRARY FOR ~~SOURCES OF 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~~THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND ~~NEW YORK~~THE APPROPRIATE STATE ~~DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005~~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~~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:

~~Item 3, Additional Disclosure. The last sentence in Item 3 is deleted and replaced~~ With the exception of what is stated above, the following:

~~Neither we, nor any of our predecessors~~ applies to the franchisor, its predecessor, nor any person identified in Item 2 ~~above, nor any~~or an affiliate offering franchises under ~~our~~the franchisor's principal trademark;

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

~~Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark,~~

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 ~~any other~~a felony charge or, ~~during~~within the ~~ten~~10-year period immediately preceding the application for registration, has been convicted of ~~a misdemeanor~~ or pleaded nolo contendere to ~~any~~a misdemeanor charge or ~~been found liable in an arbitration proceeding or a civil action by final judgment, or~~has been the subject of ~~any other material complaint or legal or arbitration proceeding if such misdemeanor conviction or charge,~~a civil action, ~~complaint, or other such~~

~~proceeding involved a alleging: violation of any franchise law, antifraud, or securities law; fraud; embezzlement; fraudulent conversion, restraint of trade, or misappropriation of property; or unfair or deceptive practices; misappropriation of property, or comparable allegation~~allegations.

~~Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, D. No such party~~ is subject to ~~any~~ currently effective injunctive or restrictive order or decree relating to ~~franchises~~the franchise, or under ~~any~~ Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law ~~as a result of, 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.

~~Item 4, Additional Disclosure. Item 4 is deleted and replaced with the following:~~

~~Neither we nor any of our predecessors, affiliates, or officers, during the 10 year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the franchisor held this position in the company or partnership.~~

~~Item 17, Additional Disclosures:~~

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 ~~Section 687.4~~Sections 687(4) and ~~687.5~~687(5) be satisfied.

~~The 4. The following language replaces the “Summary” section of Item 17(d) is deleted and replaced with the following language, titled “Termination by franchisee”:~~

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

~~The following is added to the Summary section of Item 17(j): No assignment will be made except to an assignee who in good faith and judgment of the franchisor is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.~~

5. The following is added to the end of the “Summary” sections of ~~Items~~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

6.

~~Attachment H, Franchisee Disclosure Document~~ Franchise Questionnaires and
Acknowledgements--No statement, questionnaire-

~~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.

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

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.

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

The 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.

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 state that franchisee must consent to the jurisdiction of courts outside that State of North Dakota. That requirement 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.

Attachment H, Franchisee Disclosure Document Questionnaire.

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.

VIRGINIA ADDENDUM
TO HELLO GARAGE FDD

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

Item 17, Additional Disclosures:

Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et. seq.).

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 grounds for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Attachment H, Franchisee Disclosure Document Questionnaire:

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 HELLO GARAGE FRANCHISE DISCLOSURE DOCUMENT

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

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

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.

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

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

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

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.

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 initial training that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

Attachment F, General Release Form, does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

Attachment H, Franchisee Disclosure Document Questionnaire:

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.

WISCONSIN ADDENDUM
TO HELLO GARAGE FDD

To the extent the Wisconsin Franchise Investment Law, Wis. Stat. §§553.01 – 553.78 or Wisconsin Fair Dealership Law, Wis. Stat. §§135.01 – 135.07 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

For all franchisees residing in the State of Wisconsin, we will provide you at least 90 days' prior written notice of termination, cancellation or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation or substantial change in competitive circumstances and will provide that you have 60 days in which to cure any claimed deficiency. If this deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency.

For Wisconsin franchisees, Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract which is inconsistent with the Law.

ATTACHMENT F
TO HELLO GARAGE FDD
GENERAL RELEASE FORM

RELEASE OF CLAIMS

NOTE TO THE PROSPECTIVE FRANCHISEE: THIS IS A CURRENT RELEASE FORM THAT GENERALLY WILL BE USED WITH OR INCORPORATED INTO A SEPARATE AGREEMENT. THIS FORM IS SUBJECT TO CHANGE OVER TIME.

NOTE TO WASHINGTON PROSPECTIVE FRANCHISEES: THIS RELEASE DOES NOT APPLY WITH RESPECT TO CLAIMS ARISING UNDER THE WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT, RCW 19.100, AND THE RULES ADOPTED THEREUNDER.

For and in consideration of the Agreements and covenants described below, Hello Garage Franchising, LLC ("Franchisor") and _____ ("Franchisee") enter into this Release of Claims ("Agreement").

RECITALS

- A. Franchisor and Franchisee entered into an Hello Garage® Franchise Agreement dated _____, _____.
- B. [NOTE: Describe the circumstances relating to the release.]

AGREEMENTS

1. **Consideration.** [NOTE: Describe the consideration paid.]
- 2-3. [NOTE: Detail other terms and conditions of the release.]
4. **Release.** Franchisee hereby releases Franchisor, its officers, directors, shareholders, members, managers, and agents, and their respective successors, assigns, heirs, and personal representatives, from all debts, representations, agreements, liabilities, actions, and causes of action of every kind and nature arising out of or relating to the Franchise Agreement between Franchisor and Franchisee, the offer and sale of that franchise and the franchise relationship between the parties.
5. **General.** No amendment to this Agreement or waiver of the rights or obligations of either party shall be effective unless in writing signed by the parties. This Agreement is governed by the laws of the State of _____ without regard to conflicts of laws principles. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. This Agreement contains the entire agreement and understanding of the parties concerning the subject matter of this Agreement. [NOTE: Detail other miscellaneous provisions.]

FRANCHISEE:

By: _____

Its: _____

Date: _____

FRANCHISOR:

HELLO GARAGE FRANCHISING, LLC

By: _____

Its: _____

Date: _____

ATTACHMENT G
TO HELLO GARAGE FDD

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ATTACHMENT H
TO HELLO GARAGE FDD
DISCLOSURE ACKNOWLEDGMENT AGREEMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT AGREEMENT

Applicant _____
State of Incorporation/Formation (if applicable) _____
Address of Applicant _____
Location (Territory) Applied For _____

1. I have received all appropriate disclosure documents for the State(s) of _____ at least fourteen (14) calendar days, exclusive of the day I received them and the day I signed them, before signing the Franchise Agreement and/or payment of any monies.

2. I have signed and returned to Franchisor the acknowledgment of receipt for each disclosure document given me.

3. I have had an opportunity to read the Franchise Agreement thoroughly and understand all of Franchisor's covenants and obligations and my obligations as a franchisee of the Hello Garage system. I understand that the Franchise Agreement contains all obligations of the parties and that Franchisor does not grant to me under the Franchise Agreement any right of first refusal.

4. I understand that this franchise business, as in all business ventures, involves risk and despite assistance and support programs, the success of my business will depend primarily upon me and my ability. In addition, I understand that this franchise business may be impacted by other risks, including those outside your or our control such as economic, political or social disruption.

5. Except for fill in the blank provisions or for negotiated changes that I initiated, I received a copy of the revised Franchise Agreement or related agreement at least seven (7) calendar days before the date on which the Franchise Agreement or related agreement was signed.

6. I understand that Franchisor has a national marketing and promotional program which is not directed towards any specific franchise territory but is intended to benefit the entire Hello Garage system nationwide. I further understand that amounts from the national marketing and promotional fund will be used, among other purposes, to offset in-house expenses incurred in providing marketing services, media planning and network marketing support, and providing market intelligence through analytics to the Hello Garage system.

7. The financial performance figures do not reflect the exact costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees listed in the Disclosure Document may be one source of this information.

8. The representations under this Franchisee Disclosure Acknowledgment Agreement are not intended, nor shall they act, as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

9. If I was referred to Franchisor by a franchise broker or referral source, the name of that franchise broker(s) or referral source(s) is _____.

10. I have had no promises, guarantees or assurances made to me and no information provided to me relative to earnings, revenues, profits, expenses or projected revenues for this franchise, except as disclosed in the disclosure document. If I believe that I have received any such promises, guarantees, assurances or information, I agree to describe it below (otherwise write "None").

FOR MARYLAND FRANCHISEES:

Please do not sign if the franchisee is a Maryland resident or if the franchised business will be located within the State of Maryland.

FOR WASHINGTON PROSPECTIVE FRANCHISEES: This Franchisee Disclosure Acknowledgment Agreement does not waive any liability that we may have for valid claims under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

Applicants' Acknowledgment:

Signature: _____
Name: _____
Date: _____

Signature: _____
Name: _____
Date: _____

ATTACHMENT I
TO HELLO GARAGE FDD
FORM SOFTWARE AS A SERVICE AGREEMENT

SOFTWARE AS A SERVICE AGREEMENT

This Software as a Service Agreement (this “**Agreement**”), effective as of _____, 20____ (the “**Effective Date**”), is by and between Hello Garage Franchising, LLC, a Nebraska limited liability company, with offices located at 11850 Valley Ridge Drive, Papillion, Nebraska 68046 (“**Provider**”) and _____, a(n) _____, with offices located at _____ (“**Customer**”). Provider and Customer may be referred to herein collectively as the “**Parties**” or individually as a “**Party**”. The Parties agree as follows:

1. Definitions.

(a) “Aggregated Statistics” means data and information related to Customer’s use of the Services that is used by Provider in an aggregate and anonymized manner, including to compile statistical and performance information related to the provision and operation of the Services.

(b) “Authorized User(s)” means Customer’s employees, consultants, contractors, and agents (i) who are authorized by Customer to access and use the Services under the rights granted to Customer pursuant to this Agreement and (ii) for whom access to the Services has been purchased hereunder.

(c) “Customer Data” means, other than Aggregated Statistics, information, data, and other content, in any form or medium, that is submitted, posted, or otherwise transmitted by or on behalf of Customer or an Authorized User through the Services.

(d) “Documentation” means Provider’s user manuals, handbooks, and guides relating to the Services provided by Provider to Customer and Authorized Users either electronically or in hard copy form.

(e) “Franchise Agreement” means the Franchise Agreement between Provider and Customer entered into contemporaneously herewith.

(f) “Provider IP” means the Services, the Documentation, and any and all intellectual property provided to Customer and Authorized Users in connection with the foregoing. For the avoidance of doubt, Provider IP does not include Customer Data.

(g) “Services” means the software-as-a-service offering described in **Exhibit A**. References in this Agreement to the Services shall include the Software.

(h) “Software” means the object code version of the proprietary computer programs made available by Provider for download by Customer and Authorized Users for use in connection with the Services and Documentation.

(i) “Third-Party Products” means any third-party products provided with or incorporated into the Services.

2. Access and Use.

(a) Provision of Access. Subject to and conditioned on Customer’s payment of Fees (as defined herein) and compliance with the terms and conditions of this Agreement, Provider hereby grants Customer and Authorized Users a non-exclusive, non-transferable right to install the Software and to access and use the Services during the term of this Agreement, solely for use by Customer and Authorized Users in

accordance with the terms and conditions herein. Such use is limited to Customer's and Authorized Users' internal use. Provider shall provide to Customer and Authorized Users the necessary passwords and network links or connections to allow Customer and Authorized Users to install the Software and to access the Services.

(b) Documentation License. Subject to the terms and conditions contained in this Agreement, Provider hereby grants to Customer and Authorized Users a non-exclusive, non-transferable license to use the Documentation during the term of this Agreement solely for Customer's and Authorized Users' internal business purposes in connection with their use of the Services.

(c) Use Restrictions. Customer shall not, and shall not permit Authorized Users to, use the Services for any purposes beyond the scope of the access granted in this Agreement. Customer shall not at any time, directly or indirectly, and shall not permit Authorized Users to: (i) copy, modify, or create derivative works of the Services or Documentation, in whole or in part; (ii) rent, lease, lend, sell, license, sublicense, assign, distribute, publish, transfer, or otherwise make available the Services or Documentation; (iii) reverse engineer, disassemble, decompile, decode, adapt, or otherwise attempt to derive or gain access to any software component of the Services, in whole or in part; (iv) remove any proprietary notices from the Services or Documentation; or (v) use the Services or Documentation in any manner or for any purpose that infringes, misappropriates, or otherwise violates any intellectual property right or other right of any person, or that violates any applicable law.

(d) Reservation of Rights. Provider reserves all rights not expressly granted to Customer in this Agreement. Except for the limited rights and licenses expressly granted under this Agreement, nothing in this Agreement grants, by implication, waiver, estoppel, or otherwise, to Customer, Authorized Users, or any third party any intellectual property rights or other right, title, or interest in or to the Provider IP.

(e) Suspension. Notwithstanding anything to the contrary in this Agreement, Provider may temporarily suspend Customer's and any Authorized User's access to any portion or all of the Services if: (i) Provider reasonably determines that (A) there is a threat or attack on any of the Provider IP; (B) Customer's or any Authorized User's use of the Provider IP disrupts or poses a security risk to the Provider IP or to any other customer or vendor of Provider; (C) Customer, or any Authorized User, is using the Provider IP for fraudulent or illegal activities; or (D) Provider's provision of the Services to Customer or any Authorized User is prohibited by applicable law; (ii) any vendor of Provider has suspended or terminated Provider's access to or use of any third-party services or products required to enable Customer or any Authorized User to access the Services; or (iii) in accordance with [Section 5](#) (any such suspension described in subclause (i), (ii), or (iii), a "**Service Suspension**"). Provider will have no liability for any damage, liabilities, losses (including any loss of data or profits), or any other consequences that Customer or any Authorized User may incur as a result of a Service Suspension.

(f) Aggregated Statistics. Notwithstanding anything to the contrary in this Agreement, Provider may monitor Customer's and any Authorized User's use of the Services and collect and compile Aggregated Statistics. Aggregated Statistics will, amongst other things, assist Provider in improving the product and enhance the Customer's and Authorized Users' experience. All right, title, and interest in Aggregated Statistics, and all intellectual property rights therein, belong to and are retained solely by Provider. Customer acknowledges and agrees on its own behalf and on behalf of Authorized Users that Provider may (i) make Aggregated Statistics publicly available in compliance with applicable law, and (ii) use Aggregated Statistics to the extent and in the manner permitted under applicable law; provided that such Aggregated Statistics do not identify Customer, any Authorized User, or their confidential information.

3. **Customer Responsibilities and Acknowledgments.**

(a) General. Customer is responsible and liable for all uses of the Services and Documentation resulting from access provided by Customer, directly or indirectly, whether such access or use is permitted by or in violation of this Agreement. Without limiting the generality of the foregoing, Customer is responsible for all acts and omissions of Authorized Users, and any act or omission by an Authorized User that would constitute a breach of this Agreement if taken by Customer will be deemed a breach of this Agreement by Customer. Customer shall use reasonable efforts to make Authorized Users aware of this Agreement's provisions as applicable to Authorized Users' use of the Services and shall cause Authorized Users to comply with such provisions.

(b) Third-Party Products. Third-Party Products are subject to their own terms and conditions. If Customer does not agree to abide by the applicable terms for any such Third-Party Products, then Customer should not install or use such Third-Party Products.

4. **Service Level and Support.** Provider shall make commercially reasonable efforts to ensure availability of the Services. Provider does not (a) guaranty any service level for the Services or (b) undertake to provide any support for the Services.

5. **Fees and Payment.**

(a) Fees. Customer shall pay Provider the fees ("Fees") as set forth in **Exhibit A**, without offset or deduction, on or before the due date set forth in **Exhibit A**. If Customer fails to make any payment when due, without limiting Provider's other rights and remedies, Provider may either (i) suspend Customer's and Authorized Users' access to any portion or all of the Services until such amounts are paid in full or (ii) terminate this Agreement pursuant to Section 11. From time to time, Fees may be updated, and Provider shall provide Customer notification of said update.

(b) Taxes. All Fees and other amounts payable by Customer under this Agreement are exclusive of taxes and similar assessments. Customer is responsible for all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any federal, state, or local governmental or regulatory authority on any amounts payable by Customer hereunder, other than any taxes imposed on Provider's income.

6. **Confidential Information.** The disclosure and use of Provider's confidential information shall be governed by the terms and conditions of the Franchise Agreement.

7. **Intellectual Property Ownership.**

(a) Provider IP. Customer acknowledges that, as between Customer and Provider, Provider owns all right, title, and interest, including all intellectual property rights, in and to the Provider IP and, with respect to Third-Party Products, the applicable third-party providers own all right, title, and interest, including all intellectual property rights, in and to the Third-Party Products.

(b) Customer Data. Provider acknowledges that during the term of this Agreement, as between Provider and Customer, Customer owns all right, title, and interest, including all intellectual property rights, in and to the Customer Data. Customer hereby grants to Provider and its affiliates a non-exclusive, perpetual, irrevocable, royalty-free, worldwide license to reproduce, distribute, modify, and otherwise use and display the Customer Data and perform all acts with respect to the Customer Data as may be necessary for Provider to provide the Services to Customer, and a non-exclusive, perpetual, irrevocable, royalty-free,

worldwide license to reproduce, distribute, modify, and otherwise use and display Customer Data incorporated within the Aggregated Statistics. If this Agreement or the Franchise Agreement expires or is terminated for any reason other than a termination as a result of Provider's breach, Customer shall cease using and transfer to Provider all Customer Data.

(c) Feedback. If Customer or Authorized Users send or transmit any communications or materials to Provider by mail, email, telephone, or otherwise, suggesting or recommending changes to the Provider IP, including, without limitation, new features or functionality relating thereto, or any comments, questions, suggestions, or the like ("**Feedback**"), Provider is free to use such Feedback irrespective of any other obligation or limitation between the Parties governing such Feedback. Customer hereby assigns to Provider on Customer's behalf, and on behalf of Authorized Users, all right, title, and interest in, and Provider is free to use, without any attribution or compensation to any party, any ideas, know-how, concepts, techniques, or other intellectual property rights contained in the Feedback, for any purpose whatsoever, although Provider is not required to use any Feedback.

8. **Warranty Disclaimer.** THE PROVIDER IP IS PROVIDED "AS IS" AND PROVIDER HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE. PROVIDER SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT, AND ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE, OR TRADE PRACTICE. PROVIDER MAKES NO WARRANTY OF ANY KIND THAT THE PROVIDER IP, OR ANY PRODUCTS OR RESULTS OR THE USE THEREOF, WILL MEET CUSTOMER'S, AUTHORIZED USERS', OR ANY OTHER PERSON'S REQUIREMENTS, OPERATE WITHOUT INTERRUPTION, ACHIEVE ANY INTENDED RESULT, BE COMPATIBLE OR WORK WITH ANY SOFTWARE, SYSTEM, OR OTHER SERVICES, OR BE SECURE, ACCURATE, COMPLETE, FREE OF HARMFUL CODE, OR ERROR FREE.

9. **Indemnification.**

(a) Provider Indemnification.

(i) Provider shall indemnify, defend, and hold harmless Customer from and against any and all losses, damages, liabilities, costs (including reasonable attorneys' fees) ("**Losses**") incurred by Customer resulting from any third-party claim, suit, action, or proceeding ("**Third-Party Claim**") that the Services, or any use of the Services in accordance with this Agreement, infringes or misappropriates such third party's US patents, copyrights, or trade secrets, provided that Customer promptly notifies Provider in writing of the claim, cooperates with Provider, and allows Provider sole authority to control the defense and settlement of such claim.

(ii) If such a claim is made or appears possible, Customer agrees to permit Provider, at Provider's sole discretion, to (A) modify or replace the Services, or component or part thereof, to make it non-infringing, or (B) obtain the right for Customer to continue use. If Provider determines that neither alternative is reasonably available, Provider may terminate this Agreement, in its entirety or with respect to the affected component or part, effective immediately on written notice to Customer.

(iii) This [Section 9\(a\)](#) will not apply to the extent that the alleged infringement arises from: (A) use of the Services in combination with data, software, hardware, equipment, or technology not provided by Provider or authorized by Provider in writing; (B) modifications to the Services not made by Provider; (C) Customer Data; or (D) Third-Party Products.

(b) Customer Indemnification. Customer shall indemnify, hold harmless, and, at Provider's option, defend Provider from and against any Losses resulting from any Third-Party Claim that the Customer Data, or any use of the Customer Data in accordance with this Agreement, infringes or misappropriates such third party's intellectual property rights and any Third-Party Claims based on Customer's or any Authorized User's (i) negligence or willful misconduct; (ii) use of the Services in a manner not authorized by this Agreement; (iii) use of the Services in combination with data, software, hardware, equipment, or technology not provided by Provider or authorized by Provider in writing; or (iv) modifications to the Services not made by Provider, provided that Customer may not settle any Third-Party Claim against Provider unless Provider consents to such settlement, and further provided that Provider will have the right, at its option, to defend itself against any such Third-Party Claim or to participate in the defense thereof by counsel of its own choice.

(c) Sole Remedy. THIS [SECTION 9](#) SETS FORTH CUSTOMER'S SOLE REMEDIES AND PROVIDER'S SOLE LIABILITY AND OBLIGATION FOR ANY ACTUAL, THREATENED, OR ALLEGED CLAIMS THAT THE SERVICES INFRINGE, MISAPPROPRIATE, OR OTHERWISE VIOLATE ANY INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY.

10. Limitations of Liability. IN NO EVENT WILL PROVIDER BE LIABLE UNDER OR IN CONNECTION WITH THIS AGREEMENT UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, AND OTHERWISE, FOR ANY: (a) CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, ENHANCED, OR PUNITIVE DAMAGES; (b) INCREASED COSTS, DIMINUTION IN VALUE OR LOST BUSINESS, PRODUCTION, REVENUES, OR PROFITS; (c) LOSS OF GOODWILL OR REPUTATION; (d) USE, INABILITY TO USE, LOSS, INTERRUPTION, DELAY OR RECOVERY OF ANY DATA, OR BREACH OF DATA OR SYSTEM SECURITY; OR (e) COST OF REPLACEMENT GOODS OR SERVICES, IN EACH CASE REGARDLESS OF WHETHER PROVIDER WAS ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES OR SUCH LOSSES OR DAMAGES WERE OTHERWISE FORESEEABLE. IN NO EVENT WILL PROVIDER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, AND OTHERWISE EXCEED THE TOTAL AMOUNTS PAID TO PROVIDER UNDER THIS AGREEMENT IN THE 12 MONTH PERIOD PRECEDING THE EVENT GIVING RISE TO THE CLAIM.

11. Term and Termination.

(a) Term. The term of this Agreement shall run concurrently with the term of the Franchise Agreement.

(b) Termination. In addition to any other express termination right set forth in this Agreement, Provider may terminate this Agreement, effective on written notice to Customer, if (i) Customer fails to pay any amount when due hereunder; or (ii) Customer breaches any of its obligations under [Section 2\(c\)](#) or [Section 6](#). Provider may terminate this Agreement for any other reason or for no reason upon not less than 30 days written notice to Customer. In addition, this Agreement will automatically terminate when the Franchise Agreement terminates or expires.

(c) Effect of Expiration or Termination. Upon expiration or earlier termination of this Agreement, Customer and Authorized Users shall immediately discontinue use of the Provider IP and, without limiting Customer's obligations under [Section 6](#), Customer and Authorized Users shall uninstall, delete, destroy, or return all copies of the Provider IP and certify in writing to the Provider that the Provider

IP has been uninstalled, deleted, or destroyed. No expiration of this Agreement or termination by Provider will affect Customer's obligation to pay all Fees that may have become due before such expiration or termination or entitle Customer to any refund.

(d) Survival. This Section 11(d) and Sections 5, 6, 7, 8, 9, 10, and 12 survive any termination or expiration of this Agreement. No other provisions of this Agreement survive the expiration or earlier termination of this Agreement.

12. Miscellaneous.

(a) Entire Agreement. This Agreement, together with any other documents incorporated herein by reference and all related Exhibits, and the Franchise Agreement constitute the entire agreement of the Parties with respect to the subject matter contained therein and supersede all prior and contemporaneous understandings, agreements, and representations and warranties, both written and oral, with respect to such subject matter. In the event of any conflict between this Agreement and the Franchise Agreement, the terms and conditions of the Franchise Agreement shall control.

(b) Notices. All notices, requests, consents, claims, demands, waivers, and other communications hereunder (each, a "**Notice**") must be in writing and addressed to the Parties at the addresses set forth on the first page of this Agreement (or to such other address that may be designated by the Party giving Notice from time to time in accordance with this Section).

(c) Force Majeure. In no event shall Provider be liable to Customer, or be deemed to have breached this Agreement, for any failure or delay in performing its obligations under this Agreement, if and to the extent such failure or delay is caused by any circumstances beyond Provider's reasonable control, including, but not limited to, acts of God, flood, fire, pandemic, earthquake, explosion, war, terrorism, invasion, riot or other civil unrest, strikes, labor stoppages or slowdowns or other industrial disturbances, or passage of law or any action taken by a governmental or public authority, including imposing an embargo.

(d) Amendment and Modification; Waiver. No amendment to or modification of this Agreement is effective unless it is in writing and signed by an authorized representative of each Party. No waiver by any Party of any of the provisions hereof will be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in this Agreement, (i) no failure to exercise, or delay in exercising, any rights, remedy, power, or privilege arising from this Agreement will operate or be construed as a waiver thereof and (ii) no single or partial exercise of any right, remedy, power, or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

(e) Severability. If any provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the Parties shall negotiate in good faith to modify this Agreement.

(f) Governing Law; Submission to Jurisdiction. This Agreement is governed by and construed in accordance with the internal laws of the state of Nebraska without giving effect to any choice or conflict of law provision or rule that would require or permit the application of the laws of any jurisdiction other than those of the state of Nebraska. Any claims, controversies, or disputes arising out of or related to this Agreement will be brought in the federal or state court located in Douglas County, Nebraska. The Parties irrevocably consent to the jurisdiction of such courts.

(g) Assignment. Customer may not assign any of its rights or delegate any of its obligations hereunder, in each case whether voluntarily, involuntarily, by operation of law, or otherwise, without the prior written consent of Provider. This Agreement is fully assignable by Provider and benefits Provider's successors and assigns.

(h) Equitable Relief. Customer acknowledges and agrees that a breach or threatened breach by Customer of any of its obligations under [Section 6](#) or [Section 2\(c\)](#) would cause Provider irreparable harm for which monetary damages would not be an adequate remedy and agrees that, in the event of such breach or threatened breach, Provider will be entitled to equitable relief, including a restraining order, an injunction, specific performance, and any other relief that may be available from any court, without any requirement to post a bond or other security, or to prove actual damages or that monetary damages are not an adequate remedy. Such remedies are not exclusive and are in addition to all other remedies that may be available at law, in equity, or otherwise.

(i) Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

PROVIDER:

CUSTOMER:

HELLO GARAGE FRANCHISING, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT A

Capitalized terms used but not defined in this Exhibit A have the meaning given to those terms in the Agreement.

A. DESCRIPTION OF SERVICES: Hello Garage CRM, GarageView sales software, and Hello Garage e-mail addresses.

B. FEES: Customer must pay Provider a \$175 set-up fee. In addition, Customer must pay Provider the fees for the Services in the amounts set forth below monthly by credit card, electronic funds transfer, or such other method as Provider shall require. In the event the Agreement is terminated pursuant to Section 11, Customer shall remain liable to Provider for (i) the monthly Fees for all Services for the month in which termination occurs and (ii) the monthly Fees for all Services for any prior months which are due but not yet paid. Monthly Fees are not refundable and will not be prorated. Fees are subject to change and notice by Provider will be given to Customer of any said change 30 days in advance of said change.

Fees for the Services	\$125 plus \$11 per email address plus \$65 per sales account, all per month
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ATTACHMENT J
TO HELLO GARAGE FDD
FORM SUPPLY AGREEMENT

SUPPLY AGREEMENT

THIS SUPPLY AGREEMENT (this “**Agreement**”) is effective this ____ day of _____, 20____ (“**Effective Date**”) between Supportworks, Inc., a Nebraska corporation (“**Supplier**”), with its principal address at 11850 Valley Ridge Drive, Papillion, NE 68046 and _____, a _____ (“**Franchisee**”), with its principal address at _____.

BACKGROUND

A. Franchisee and Supplier’s affiliate, Hello Garage Franchising, LLC (“**Franchisor**”), have entered into a franchise agreement contemporaneously herewith (“**Franchise Agreement**”) under which Franchisor granted Franchisee the right to operate a Hello Garage™ franchised business (the “**Franchised Business**”).

B. Supplier develops, designs, manufactures, and distributes concrete floor coatings, garage cabinet equipment, slat wall, lighting, related accessories, and other various consumables, equipment, tools, and products to be sold in connection with the Hello Garage™ brand (“**Products**”).

C. Supplier distributes the Products through various channels and franchised Hello Garage™ businesses, and Supplier has agreed to sell Products to Franchisee for resale to customers under the provisions stated below.

AGREEMENT

1. **Appointment.** Franchisee agrees to purchase Products for use in the Franchised Business from Supplier. Franchisee shall act as an independent contractor under this Agreement and shall have no power, right, or authority, express or implied, to create or assume any obligation on behalf of Supplier or in Supplier’s name. Franchisee is not permitted to appoint any sub-dealers or sub-suppliers or sell any Products to a customer that is not an end-user customer. Franchisee is not permitted to sell Products through alternative channels of distribution, including the Internet, or to advertise Product prices on any website or in any other manner on the Internet without Supplier’s prior written approval. Franchisee is not permitted to purchase, sell, market, carry, store, give away, or otherwise hold and dispose of any competitive products to the Products. Supplier reserves all rights not guaranteed under this Agreement, including the right to sell and service, or to appoint others to sell and service, other products.

2. **Term.** The term of this Agreement shall run concurrently with the term of the Franchise Agreement.

3. **Sales.** All sales are made pursuant to this Agreement and the terms and conditions established in the “**General Terms and Conditions of Supply**” published on the Supplier’s webstore. The General Terms and Conditions of Supply may be updated by Supplier at any time. Franchisee acknowledges and agrees that it will be bound by and comply with the General Terms and Conditions of Supply during the term of this Agreement. In the event of a conflict or inconsistency between this Agreement and the General Terms and Conditions of Supply, this Agreement shall control and govern the rights and obligations of the parties.

4. **Product Warranty.** Supplier does not make any representations or warranties, express or implied, with regard to the Products except as specifically stated in the General Terms and Conditions of Supply.

5. **Insurance.** Franchisee represents and warrants to Supplier that it currently has in effect, and for the term of this Agreement will maintain, all insurance required under the Franchise Agreement. Such insurance policies shall name Supplier as an additional insured and contain a waiver of subrogation in favor of Supplier.

6. **Indemnity.** Franchisee shall indemnify, hold harmless, and defend Supplier, Franchisor, their affiliate business entities, and their respective employees, agents, officers, managers, and directors, from all liability, losses, damages, costs, or expenses of any nature, including, without limitation, reasonable attorney's fees, which they may at any time suffer, incur, or be required to pay resulting from or arising out of: (1) the sale, installation, integration, or service of the Products by Franchisee; (2) any warranties or representations of Franchisee other than those Supplier provides in writing to the customer; or (3) any claim arising out of Franchisee's breach of this Agreement.

7. **Termination.** Supplier may terminate this Agreement without cause by providing Franchisee thirty (30) days prior written notice. Supplier may terminate this Agreement, effective immediately upon written notice to Franchisee, if Franchisee (a) fails to pay for Products purchased from Supplier within ten (10) days after written notice from Supplier that payment is overdue, (b) sells or promotes products which are similar to or which compete with the Products, (c) transfers its rights under this Agreement or transfers the beneficial ownership or control of its business without Supplier's prior written approval, (d) engages in any conduct which is detrimental to Franchisor's or its affiliates' trademarks or associated goodwill and Franchisee fails to correct such matter within two (2) days after written notice from Supplier or Franchisor, (e) violates any other term or condition of this Agreement or the General Terms and Conditions of Supply and fails to correct such violation or conduct within thirty (30) days after written notice from Supplier, or (f) becomes the subject of a bankruptcy proceeding, makes a general arrangement with creditors, has a receiver appointed, becomes insolvent, goes into liquidation, or ceases to function as a going concern. In addition, this Agreement will automatically terminate when the Franchise Agreement terminates or expires. Notwithstanding any provision in this Agreement or the General Terms and Conditions of Supply to the contrary, the provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights, or minimum periods of notice for termination of this Agreement shall supersede any provision of this Agreement that is less favorable to Franchisee than such law or regulation.

8. **General Provisions.**

8.1. **Assignment.** Franchisee may not assign or otherwise transfer this Agreement or any of its rights or obligations hereunder, except with Supplier's express prior written approval. A change in the beneficial ownership or control of Franchisee will be considered an assignment of this Agreement. This Agreement is fully assignable by Supplier and benefits Supplier's successors and assigns.

8.2. **Notices.** All written notices permitted or required to be received under this Agreement or the General Terms and Conditions of Supply will be deemed delivered if the parties comply with the notice requirements under the Franchise Agreement.

8.3. **Governing Law.** This Agreement will be governed by and construed under the procedural and substantive laws of the state of Nebraska, without regard to any conflict of laws principles of such state. Any claims, controversies, or disputes arising out of or related to this Agreement will be brought in the federal or state court located in Douglas County, Nebraska. The parties irrevocably consent to the jurisdiction of such courts.

8.4. Entire Agreement. This Agreement, the General Terms and Condition of Supply, and the documents delivered pursuant hereto, or referred to herein, contain the entire agreement among the parties with respect to the transactions contemplated hereby and, except as provided herein, supersede all previous negotiations, commitments, and writings among the parties. With the exception of the General Terms and Conditions of Supply, this Agreement may be modified or amended only by written agreement executed by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers or employees as of the date first above written.

SUPPLIER: Supportworks, Inc. By: _____ Name: _____ Title: _____	FRANCHISEE: _____ By: _____ Name: _____ Title: _____
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ATTACHMENT K
TO HELLO GARAGE FDD
STATE EFFECTIVE DATES AND 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	April 26, 2023, as amended December 5, 2023 Pending
Illinois	April 5, 2023, as amended November 9, 2023 Pending
Indiana	April 5, 2023, as amended November 9, 2023 Pending
Maryland	April 5, 2023, as amended December 12, 2023 Pending
Michigan	April 5, 2023 Pending
Minnesota	April 25, 2023, as amended November 22, 2023, 2023Pending
New York	April 19, 2023, as amended November 15, 2023 Pending
North Dakota	April 20, 2023, as amended November 22, 2023 Pending
Rhode Island	April 7, 2023, as amended November 21, 2023 Pending
South Dakota	April 5, 2023 Pending
Virginia	April 24, 2023, as amended December 12, 2023 Pending
Washington	June 6, 2023, as amended November 20, 2023 Pending
Wisconsin	April 5, 2023, as amended November 9, 2023 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

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 Hello Garage Franchising, LLC ("Franchisor") offers you a franchise, Franchisor must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Franchisor or its affiliate in connection with the proposed franchise sale. Iowa and New York require that Franchisor gives 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 or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Franchisor gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Hello Garage 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and those state administrators listed on Attachment D.

The franchisor is Hello Garage Franchising, LLC located at 11850 Valley Ridge Drive, Papillion, NE 68046 and 1-833-396-0813.

Issuance Date: April ~~54, 2023, as amended November 9, 2023~~ 2024

The franchise seller involved in offering and selling the franchise to you is:

- Jennifer Baker, Kurtis Kammerer, Dave Thrasher, Laura Moore, Amanda Harrington, ~~Keely Byars~~, Kraig Schjodt, ~~Jaime Esquivel~~ Nick Rucker, Bryan Miller, Mike White, Lori Mathai, or Dustin Selzer, each located at 11850 Valley Ridge Drive, Papillion, NE 68046, 1-833-396-0813;
- Will be provided to you separately before you sign a franchise agreement, or is the following individual (with address and telephone number): _____.

Franchisor authorizes the respective state agencies identified on Attachment D to receive service of process for us in the particular state.

I have received a disclosure document dated April ~~54, 2023, as amended November 9, 2023~~ 2024, that included the following Attachments:

- | | |
|---|--|
| (A) Financial Statements | (F) General Release Form |
| (B) Franchise Agreement | (G) Manuals Table of Contents |
| (C) Current and Former Franchisees | (H) Disclosure Acknowledgment Agreement |
| (D) List of State Administrators; Agents for Service of Process | (I) Form Software as a Service Agreement |
| (E) State Addenda | (J) Form Supply Agreement |
| | (K) State Effective Dates and Receipts |

Date:

(Do not leave blank)

Signature of Prospective Franchisee

Print Name

This copy to be retained by Prospective Franchisee

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 Hello Garage Franchising, LLC ("Franchisor") offers you a franchise, Franchisor must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Franchisor or its affiliate in connection with the proposed franchise sale. Iowa and New York require that Franchisor gives 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 or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Franchisor gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Hello Garage 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and those state administrators listed on Attachment D.

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- Will be provided to you separately before you sign a franchise agreement, or is the following individual (with address and telephone number): _____.

Franchisor authorizes the respective state agencies identified on Attachment D to receive service of process for us in the particular state.

I have received a disclosure document dated April ~~54, 2023, as amended November 9, 2023~~ 2024, that included the following Attachments:

- | | |
|---|--|
| (A) Financial Statements | (F) General Release Form |
| (B) Franchise Agreement | (G) Manuals Table of Contents |
| (C) Current and Former Franchisees | (H) Disclosure Acknowledgment Agreement |
| (D) List of State Administrators; Agents for Service of Process | (I) Form Software as a Service Agreement |
| (E) State Addenda | (J) Form Supply Agreement |
| | (K) State Effective Dates and Receipts |

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

This copy to be returned to Hello Garage Franchising, LLC