# FRANCHISE DISCLOSURE DOCUMENT

**Gotcha Covered Franchising, LLC**
a Colorado limited liability company
761 W. 1200 N., Suite 300
Springville, UT 84663
Phone: (303) 202-1120
Fax: (303) 202-5201
franchising@gotchacovered.com
www.gotchacoveredfranchising.com
www.gotchacovered.com

Gotcha Covered businesses sell and install window treatments, including draperies, fabrics, drapery hardware, bedroom ensembles, blinds, shades, and other related merchandise ("GC Business(es)"). We offer franchises for single GC Businesses.

The total investment necessary to begin operation of a single-unit Gotcha Covered franchised business is between $122,760 and $166,500, and for a two-unit business is $122,760 and $216,600. This includes $93,400 to $143,500 that must be paid to the franchisor or its affiliate(s).

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Wanda Hoegren at 761 W. 1200 N., Suite 300, Springville, UT 84663761 W. 1200 N., Suite 300, Springville, UT 84663, (303) 202-1120, ext. 305, and whoegren@gotchacovered.com.

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

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

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

**Issuance Date: April 8, 2026**

## 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 outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E. |
| **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 Exhibit C 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 outlets. |
| **Will my business be the only GC 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 GC franchise?** | Item 20 or Exhibit E 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 Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents. |

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

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This* Franchise

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

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

2. **Mandatory Minimum Payments**. You must make minimum royalty, marketing fund payments and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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.

**NOTICE REQUIRED BY**
**STATE OF MICHIGAN**

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that the 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 terms 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, marketing, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (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 or 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 there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.**

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

**THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

GOTCHA COVERED

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Exhibits:

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

To simplify the language in this Franchise Disclosure Document, "GCF" and "we," "us," and "our" means Gotcha Covered Franchising, LLC, the franchisor. "You," "your," and "Franchisee" means the person, and its owners if the Franchisee is a business entity, who buys the franchise from GCF.

The Franchisor

GCF is a Colorado limited liability company formed on May 22, 2009. We operate under the names Gotcha Covered Franchising, LLC, "Gotcha Covered," and "Gotcha Covered Window Fashions" and no other name. Our principal business address is 761 W. 1200 N., Suite 300, Springville, UT 84663. We began offering franchises for GC Businesses in May 2009. We have not and do not operate any franchises like those described in this Franchise Disclosure Document, or in any other line of business. GCF has not offered franchises in any other line of business. We sell and support franchises for GC Businesses.

Our agent for service of process in Colorado is Wanda Hoegren, 761 W. 1200 N., Suite 300, Springville, UT 84663. Our agents for service of process for other states are identified by state in Exhibit A. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

Parents, Predecessors and Affiliates

Our predecessor was V2K Window Fashions, Inc., a Colorado corporation (formerly known as Vision 2000 Window Fashions, Inc.), whose last business address was 303 S. Broadway, Suite 200, 153, Denver, Colorado 80209 ("V2K"). V2K was dissolved in July 2021 and is no longer in business. V2K franchised the V2K Window Décor & More franchise system beginning in 1997. V2K did not offer franchises other than the V2K Window Décor & More franchises and never conducted a business of the type described in this Franchise Disclosure Document. From 2009 until the end of 2017, GCF provided support to the V2K Window Décor & More franchise system under a management agreement with V2K. Some V2K franchisees converted their businesses to GC Franchises and operated or still operate GC Businesses. There are no remaining franchises in operation under the V2K Window Décor & More name.

As of July 21, 2021, our parent company is FS PEP Holdco, LLC, an affiliate of Princeton Equity Group, LLC, a private equity firm based in Princeton, New Jersey.

BBC Holdings, LLC has offered premium boutique fitness franchises offering high-intensity interval training workouts since 1998, from its principal address of 2214 NW 1st Pl, Miami, Florida 33127. As of December 31, 2025, it had 28 franchised locations.

Five Star Bath, L.L.C. has offered bathroom renovation franchises since 2015, from its principal business address of 761 W. Spring Creek Pl., Springville, Utah 84663. As of December 31, 2025, it had 348 franchises in operation.

Gotcha Covered Franchising, LLC has offered window covering and treatment franchises since 2009, from its principal business address of 6251 Greenwood Plaza Blvd Suite 170, Greenwood Village, CO 80111. As of December 31, 2025, it had 163 franchises in operation.

Ringside Development Company has offered hazardous material cleaning service franchises since 2010, from its principal business address of 761 W. Spring Creek Pl., Springville, Utah 84663. As of December 31, 2025, it had 127 franchises in operation.

1-800-Packouts Franchise LLC has offered contents restoration service franchises since 2015, from its principal business address of 761 W. Spring Creek Pl., Springville, Utah 84663. As of December 31, 2025, it had 57 franchises in operation.

Mosquito Shield Franchise, LLC has offered mosquito treatment service franchises since 2013, from its principal business address of 500 E. Washington St. #24, North Attleboro, Massachusetts 02760. As of December 31, 2025, it had 407 franchises in operation.

Five Star Connect, Inc. has been in the business of delivering support services to franchise systems since 2015, including to us and some of our affiliates; these services include call center, software, and marketing services. The principal business address of Five Star Connect, Inc. is 761 W. Spring Creek Pl., Springville, Utah 84663.

SB Oil Change Franchising, LLC has offered Strickland Brothers 10 Minute Oil Change franchises since 2019, from its principal business address of 301 North Main Street, Suite 1600, Winston Salem, North Carolina 27101. As of December 31, 2025, it had 57 franchises in operation.

CMY Franchising, LLC has offered yard greeting franchises since 2017, from its principal business address of 3917 Double Dome Road, Austin, Texas 78734. As of December 31, 2025, it had 507 franchises in operation.

D1 Sports Franchise LLC, has offered athletic performance training facility franchises since 2015, from its principal address of 7115 S. Springs Drive, Franklin, Tennessee 37067. As of December 31, 2025, it had 157 franchises in operation.

Stretch Zone Franchising LLC has offered Stretch Zone franchises since 2016, from its principal business address of 6700 North Andrews Avenue, # 210, Fort Lauderdale, Florida 33309. As of December 31, 2025, it had 414 franchises in operation.

Pirtek USA LLC has offered hydraulic and industrial hose replacement franchises since 1997, from its principal business address of 300 Gus Hipp Boulevard, Rockledge, Florida 32955. As of December 31, 2025, it had 194 franchises in operation.

Ellie Fam LLC has offered outpatient counseling and therapy clinic franchises since 2021, from its principal business address of 1345 Mendota Heights Road, Suite 800, Mendota Heights, Minnesota 55120. As of December 31, 2025, it had 227 franchises in operation.

KidStrong Franchising LLC has offered "whole child" development program franchises focused on physical fitness, leadership, and confidence building since 2019, from its principal business address of 3801 Parkwood Boulevard, Suite 301, Frisco, Texas 75034. As of December 31, 2025, it had 165 franchises in operation.

Amped Fitness 1, LLC has operated high-value, low-price fitness clubs since 2016, from its principal business address of 2001 N Federal HWY Unit 309 Pompano Beach, Florida 33062. As of December 31, 2025, it had 0 franchises in operation.

Five Star Flooring Franchise, LLC has offered flooring replacement, installation, and repair service franchises beginning in 2026, from its principal business address of 761 W. Spring Creek Pl. #300, Springville, Utah 84663. As of December 31, 2025, it had 0 franchises in operation.

Decorate With Lights Corp. has offered holiday and permanent lighting and decorative service franchises beginning in 2021, from its principal business address of 761 W. Spring Creek Pl. #300, Springville, Utah 84663. As of December 31, 2025, it had 15 franchises in operation.

None of our affiliates has ever operated a Gotcha Covered business.

The Franchise

We offer franchises ("GC Franchise(s)" or "Franchise(s)") for the use of our "GOTCHA COVERED" trademarks, trade names, service marks, and logos ("Marks") for the operation of GC Businesses. GC Businesses are operated under our proprietary Gotcha Covered system ("System"). The System may be changed or modified by us throughout your ownership of the Franchise. GC Businesses meet with customers in their homes or offices and provide a full presentation of the products and services available. The presentation will include showing samples, quoting prices, and completing the customer order. We strongly recommend that franchisees use third-party contractors for installation when needed; these services are subcontracted, i.e., the customer pays the franchisee for the service, and the franchisee pays the contractor. We require franchisees to pass through the manufacturer's warranty on products, but we do not require franchisees to offer a separate service warranty. As a GC Business is a mobile business, you will most likely operate your Franchise from your home, but you may choose to rent an executive suite office or other commercial office or retail space.

You must sign our standard franchise agreement attached to this Franchise Disclosure Document as Exhibit B ("Franchise Agreement"). You may operate one (1) GC Business for each Franchise Agreement you sign. Your GC Business will have an area of primary responsibility ("Area of Primary Responsibility") for which you will be primarily responsible.

Market and Competition

GC Businesses offer products and services to both residential consumers and businesses. The interior decorating sector is well developed and highly competitive. GC Businesses are not seasonal in nature. GC Businesses compete with other businesses, which range from major retail

department, furniture, and decorative dealers to other franchise systems and small in-home retail businesses that sell and install window treatments. These competitors include interior decorating professionals and a variety of vendors of window treatments and accessories. GC Businesses offer the advantage of being able to complete the sale by offering custom designs and fabrics that can be selected by the customer in the customer's own home or office.

Industry-Specific Laws

You must obtain all necessary permits, licenses, and approvals to operate your GC Business. Some states require that window covering installers have a contractor's license. In such states, we recommend that you hire a licensed contractor to assist you, or you may obtain your own contractor's license. You are responsible for checking the laws of the state in which your GC Business is located to see if you need to be licensed. There may be other regulations that establish certain standards, specifications, and requirements that you must follow. You should consult with a legal advisor about whether these and/or other requirements apply to your GC Business.

## ITEM 2
## BUSINESS EXPERIENCE

President: Wanda Hoegren

Ms. Hoegren serves as our President since July 2025, and was previously our Vice President of Operations and has done so from July 2024 to July 2025 from our Greenwood Village, Colorado office. She was previously Director of Operations at Homewatch Caregivers in Greenwood Village, Colorado, from 2020 through 2024. Her prior role was as Vice President of Franchise Operations at American Blue Ribbon Holdings, in Denver, Colorado, from 1985 through 2019.

Chief Growth Officer - J. Andrew Mengason

J. Andrew Mengason is our Chief Growth Officer, working out of Springville, Utah, and has held this role since 2022. He concurrently holds the same role for our affiliate, Five Star Franchising, since 2022, where he is formally employed. He is CEO and President of Madison Range Investments, located in Birmingham, Michigan and has held such role since 2018. His prior roles included President and Chief Operating Officer of Mesa Systems, LLC, in Salt Lake City, Utah, from 2019 to 2021.

Senior Vice President of Franchise Development - Colt Florence

Colt Florence is our Senior Vice President of Franchise Development, working from our Springville, Utah office, and has held such role since July 2024. He was previously Vice President of Franchise Development for Authority Brands, working from the greater Salt Lake City, Utah area, from April 2021 through July 2024, and previously was Franchise Development Manager for Authority Brands from June 2020 through April 2021. He had a prior role as Vice

President of Sales/Development with Better Way Franchise Group, in the greater Salt Lake City, Utah area, from June 2018 through June 2020.

Vice President of Franchise Development – Missy Wright

Missy Wright has been our Vice President of Franchise Development since May, 2024, working in Houston, Texas. She was previously Senior Director of Franchise Recruitment for Unleashed Brands from November 2021 through March 2024 in Houston, Texas; and previously Director of Franchise Development for Christian Brothers Automotive from November 2020 through September 2021 (with a prior role as Franchise Development Manager from January 2017 through November 2020), in Houston Texas.

## ITEM 3
## LITIGATION

Prior Actions:

*Gotcha Covered Franchising, LLC v. Geipel Enterprises LLC and Dennis Geipel*, Civil Case No. 250405387, Utah Fourth District Court, filed October 27, 2025.

We filed an action for breach of the franchise agreement against a former franchisee, for premature termination and abandonment of the franchise, as well as failure to refund customer deposits. We are seeking damages for the lost profits as well as reimbursement for payments made for such customer deposit matters. The complaint and summons were served, and the time for response has expired. As a result, we filed a motion for default judgment, which resulted in judgment in our favor, for the damages requested.

Except for the matters disclosed, no litigation is required to be disclosed in this Item.

## ITEM 4
## BANKRUPTCY

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

## ITEM 5
## INITIAL FEES

*Initial Franchise Fee*

You must pay us an initial franchise fee ("Initial Franchise Fee") of $69,900 when you sign the Franchise Agreement. The Initial Franchise Fee is payment for all of our pre-opening assistance that we provide to allow you to open your GC Business and also offsets some of our

franchisee recruitment expenses. The Initial Franchise Fee, due in full at the time you sign the Franchise Agreement (unless a delayed payment pending business loan funding as more particularly described below), is uniform (except as described below) and is deemed fully earned by us once paid and is non-refundable.

We currently offer a reduced Initial Franchise Fee for veterans. We participate in the VetFran program. Under this program, honorably discharged United States veterans or their spouses receive a ten per cent (10%) discount on our Initial Franchise Fee. You are required to provide us with a copy of your DD214 to receive this discount.

*Additional Area Fee*

We may allow you to expand the Area of Primary Responsibility subject to availability and our approval, which may be withheld in our sole discretion ("Additional Area"). The fee for the Additional Area is currently $2.06 per additional household in the Area of Primary Responsibility (this fee may change in our discretion). Any Additional Area fee is due in full at the time you sign the Franchise Agreement. The Additional Area fee is deemed fully earned by us once paid and is non-refundable, except as provided in this Item 5.

If you (or one of your representatives) commences the initial training program but do not satisfactorily complete the training, as determined by GCF, the Initial Franchise Fee and any Additional Area fee will be refunded, less the expenses incurred by GCF (including the travel and living expenses for you to attend training, commissions paid to franchise brokers and GCF staff, and the cost of any product samples). You will be required to sign a general release agreement and return all materials and equipment that were provided prior to receiving the refund. You will be allowed to keep the materials that come with the Franchise Starter Package described below.

*Franchise Starter Package*

You will receive a "Franchise Starter Package" from us that includes product samples from preferred vendors, a starter set of marketing materials to aid in localized marketing campaigns, hotel expenses for your in-person training in Denver, your first three months of service with our preferred marketing agency for SEO and PPC activities (including setup fee), Google Business Profile (GBP) optimization setup, and your first three months of service with our preferred call center vendor. The fee for the Franchise Starter Package is $22,500 (plus applicable tax, tariff, and freight/shipping costs), in addition to your Initial Franchise Fee. The Franchise Starter Package is deemed fully earned by us once paid and is non-refundable.

*Annual Conference Registration Deposit*

You will pay us a $1,000 Annual Conference Registration Deposit, due within seven (7) days of signing your franchise agreement, which will be applied to the actual attendance fee for your first attendance at the first annual conference available to you after you have completed your training. If any portion of this deposit is not required as part of that annual conference attendance or registration fee, it will be credited to you on your invoice following the annual conference. If you do not attend, this deposit will be applied toward your non-attendance fee.

## ITEM 6
## OTHER FEES

| Type of Fee[1] | Amount | Due Date | Remarks |
|---|---|---|---|
| Royalty[2] | You will pay a monthly royalty amount corresponding to how long you have been in operation. The monthly royalties follow the following schedule:<br>Month 1: $350.00*<br>Month 2: $400.00*<br>Month 3: $450.00*<br>Month 4: $700.00*<br>Month 5: $750.00*<br>Month 6: $800.00*<br>Month 7: $1,050.00*<br>Month 8: $1,100.00*<br>Month 9: $1,150.00*<br>Month 10: $1,300.00*<br>Month 11: $1,350.00*<br>Month 12 through 36: $1,400.00*<br>Month 37 and thereafter: $2,250.00*<br><br>*Plus $0.06 for each household of your territory in excess of 30,000 | Due on the 15th day of every month | The first "Franchise Year" commences the first day of the first full month following your satisfactory completion of the initial training program or on any other date designated by GCF. Each subsequent one (1)-year period is another Franchise Year. Your Royalty is an ongoing payment that allows you to use the Marks and the intellectual property of the System and pays for our ongoing support and assistance. |
| Additional Area Fee | $2.06 per additional household for additional area/territory | As incurred | We may allow you to expand the Area of Primary Responsibility subject to availability and our approval, which may be withheld in our sole discretion. |
| Marketing Fund Fee[2] | You will pay a monthly marketing fund fee in an amount corresponding to how long you have been in operation. The monthly marketing fund fees follow the following schedule:<br>Months 1-4: $125.00*<br>Months 5-7: $250.00*<br>Months 8-10 : $375.00*<br>Months 11-13: $550.00*<br>Months 14-17: $625.00*<br>Months 18-20: $750.00*<br>Months 21-23: $875.00*<br>Months 24 and thereafter: $1,000.00* | Same as royalty | This fee will be used for a system-wide marketing fund for our use in promoting and building the Gotcha Covered brand. The marketing fund is discussed in Item 11. |

| Type of Fee[1] | Amount | Due Date | Remarks |
|---|---|---|---|
| Local and Regional Marketing Cooperative[3] | Established by cooperative members | Established by cooperative members | We currently do not have a cooperative but reserve the right to require one to be established in the future. If established, any franchisor-owned outlets will be given the same voting power as other outlets and will not have controlling power in any cooperative. Item 11 contains more information about marketing cooperatives. |
| Minimum Territory Marketing | You must spend a minimum of 5% of your annual gross revenue on marketing for your operations in your territory, in addition to your Marketing Fund Fee. Included in such minimum spending will be the cost of online lead generation services and pay-per-click lead generation services by our approved or designated vendor(s). | As incurred. | This amount is not a fee to us. It is spent by you on local advertising. You are required to spend this minimum amount on local marketing with designated or selected vendors each month. If you do not spend 5% of your gross revenue within a calendar year on local, in-territory, marketing, you will contribute the difference between the actual amount expended and the amount required as additional National Marketing Fees. |
| Unauthorized Marketing Fee | $500 per occurrence | On demand | This fee is payable to the marketing fund if you use unauthorized marketing in violation of the terms of the Franchise Agreement. |
| Insurance | You must reimburse our costs plus a 20% administrative fee | On demand | If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us for the cost of insurance obtained plus 20% of the premium as an administrative cost of obtaining the insurance. |
| Annual Conference Fee or Non-Attendance Fee | Then-current registration fee, currently $1,000 (with annual increases not to exceed $500). | Six months prior to the registration deadline. | You will be invoiced for the annual conference fee six months prior to the registration deadline, in the amount of the published and then-current registration fee. If you do not attend, the non-attendance fee will apply in the amount of the then-current registration fee. |

| Type of Fee[1] | Amount | Due Date | Remarks |
|---|---|---|---|
| Additional Training or Assistance Fees | Then-current fee (currently $250 per additional person for the initial training program and approximately $100 per attendee per day for additional training) | As incurred | We provide an initial training program at no charge for up to two (2) people, which must include you (or your "Designated Owner," defined in Item 15, if you are an entity), and your "Manager," defined in Item 15, if you have one, provided they attend at the same time. We may charge you for training additional persons, newly hired personnel, refresher training courses, advanced training courses, and additional or special assistance or training you need or request. These fees will depend on the training required. Fees are not to increase by more than $250 in any given year. |
| Technology Fee[4] | Then-current fee (currently $476 per month) | Same as Royalty | We charge this fee for technology-related services. We reserve the right to an annual increase of no more than 10% per year, upon 30 days' notice. We reserve the right to upgrade, modify, and add new technology-related services. You will be responsible for any increase in fees that result from any upgrades, modifications, or additional technology-related services, or from increases from third party vendors. Fees are not to increase by more than $500, or by more than the actual increases set by vendors, when we do not establish the amount ourselves. |
| Software Fees | $200 to $500 per month | As incurred. | If we designate software solutions as a requirement for franchisee use, you must use the designated software solutions provided by our designated vendor(s). This fee is paid directly to the vendor. Designated Software and SaaS vendors may include providers accounting software, CRM, sales/invoicing, call center services, and similar services. Rates are established by the applicable vendors and subject to change on their terms. |

| Type of Fee[1] | Amount | Due Date | Remarks |
|---|---|---|---|
| Annual Meeting Fee | Then-current fee | On demand | Payable to us to help defray the cost of your attendance at the annual meeting that we choose to hold. This fee is due regardless of whether or not you attend our annual meeting in any given year. |
| Supplier and Product Evaluation Fee | Costs of inspection (estimated to be approximately $100 to $500) | As incurred | Payable if we inspect a new product, service, or proposed supplier nominated by you. |
| Customer Issue Resolution | Reasonable costs we incur for responding to a customer complaint | On demand | Payable if a customer of the GC Business contacts us with a complaint and we provide a gift card, refund, or other value to the customer as part of our addressing the issue. |
| Payment Service Fee | 3% of total charge | As incurred | If payment is made to us or our affiliates by credit card for any fee required, we may charge a service charge of up 3% of the total charge. |
| Late Payment Fee | $100 per occurrence, plus the lesser of the daily equivalent of 18% per year simple interest or the highest rate allowed by law | As incurred | Payable if any payment due to us or our affiliates is not made by the due date. Interest accrues from the original due date until payment is received in full. |
| Insufficient Funds Fee | $100 per occurrence | As incurred | Payable if any check or electronic funds transfer payment is not successful due to insufficient funds, stop payment, or any similar event. |
| Failure to Submit Required Financial Report Fine | $25 per occurrence and $25 per day | Your bank account will be debited for failure to submit any requested report within five (5) days of request | Payable if you fail to submit any required report or financial statement when due. Fines collected are paid to the marketing fund, or if no longer established, to us. You will continue to incur this fee until you submit the required report. |
| Indemnification | Varies under circumstances | As incurred | You must indemnify and reimburse us for any expenses or losses that we or our representatives incur related in any way to your GC Business or Franchise. |

| Type of Fee[1] | Amount | Due Date | Remarks |
|---|---|---|---|
| Professional Fees and Expenses | Will vary under circumstances | As incurred | You must reimburse us for any legal or accounting fees that we incur as a result of any breach or termination of your Franchise Agreement. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement, or payable for any fees we incur for any transfer that is not completed. |
| Successor Fee | 10% of the then-current Initial Franchise Fee | At the time you sign the new franchise agreement | Payable if you qualify to renew your Franchise Agreement and choose to enter into a successor franchise agreement. If we are not offering Franchises at the time of your renewal, the renewal fee will be 10% of the initial franchisee fee listed in the most recent Franchise Disclosure Document. |
| Transfer Fee | $15,000. Note, any sales commission owed as a result of your transfer shall remain your obligation, in addition to the Transfer Fee. | $1,000 non-refundable deposit at time of transfer application submittal and the remaining balance of fee at the signing of the approved transfer | Payable in connection with the transfer of your GC Business, a transfer of ownership of your legal entity, or the Franchise Agreement. |
| Transferee Training Fee | Then-current fee (currently: 1) $1,000 for up to two people, including transferee (or its Designated Owner, if transferee is an entity) and its Manager, if applicable, for the initial training program; plus 2) $250 per additional person for the initial training program and continuous learning sessions, and approximately $100 per attendee per day for additional training) | At time the approval of transfer document is executed | This fee is payable if you transfer the GC Business. If the transferee is an existing franchisee who has successfully completed the initial training program, then we may (in our sole discretion) waive this fee. See Item 15 for more information on the "Designated Owner" and "Manager." Fees are not to increase by more than $250 in any given year. |
| Broker Fees | Our actual cost of the brokerage commissions, finder's fees, or similar charges | As incurred | If you transfer your GC Business to a third party or purchaser, you must reimburse all of our actual costs for commissions, finder's fees and similar charges. |

| Type of Fee[1] | Amount | Due Date | Remarks |
|---|---|---|---|
| Email Account Fee | Then-current fee; currently $235 per calendar year, per email account. | As incurred | You will pay us this fee for the email services of our designated provider. We will waive the email account fee for your first calendar year. You will pay the annual email account fee for each subsequent year beginning in December of your first calendar year. This fee varies as the vendor(s) may increase or decrease their fee, and as a result we do not have a formula or control over rates to determine the increase or any maximum increases. |

Notes:

1. Fees. All fees paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We currently require you to pay fees and other amounts due to us or our affiliates via electronic funds transfer ("EFT") or other similar means. You are required to complete the EFT authorization (in the form attached to this Franchise Disclosure Document in Exhibit G). We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement.

2. Royalty and Marketing Fund Fees. The royalty and/or marketing fund fee(s) may be adjusted once per calendar year. Any percentage increase will be the greater of: (a) five percent (5%); or (b) the U.S. Consumer Price Index (for U.S. City Average, All Items Index, All Urban Consumers) percentage increase during the prior 12-month period for each year since our previous adjustment to the royalty and/or marketing fund fee(s).

   If you enter into a franchise agreement to operate in multiple contiguous territories, you may sign the standard multi-unit addendum connected to royalty and marketing fund fees, found in Attachment 6 to the Franchise Agreement below.

3. Local and Regional Marketing Cooperatives. We reserve the right to establish a local or regional marketing cooperative. If a local or regional marketing cooperative is established, contribution amounts to the local or regional marketing cooperative will be established by the cooperative members. We anticipate that each GC franchisee will have one (1) vote for each GC Business operated by the member in the designated market. No local or regional marketing cooperatives have been established as of the Issuance Date of this Franchise Disclosure Document.

4. Technology Fee. We will provide you with certain technology services in exchange for your monthly technology fee, which may change from time to time based on changes to the technology services we provide and/or our costs to provide these services. The current technology fee is $476 per month.

## ITEM 7
## ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT*
### *For a single-unit opening

| Type of Expenditure | Amount | | Method of Payment | When Due | To Whom Payment is to be Paid |
|---|---|---|---|---|---|
| | Low | High | | | |
| Initial Franchise Fee[1] | $62,910 | $69,900 | Lump Sum | At Signing of Franchise Agreement | Us |
| Franchise Starter Package[2] | $22,500 | $22,500 | Lump Sum | Within 7 days of Signing of Franchise Agreement | Us |
| Annual Conference Registration Deposit | $1,000 | $1,000 | Lump Sum | Within 7 days of signing of Franchise Agreement. | Us |
| Launch Campaign (Marketing for Grand Opening) | $15,000 | $30,000 | As Incurred | As Incurred | Suppliers. Note: this campaign spans your first six months, not the first three months. |
| Initial Training[3] | $250 | $2,000 | As Incurred | As Incurred | Providers of Travel, ground transportation, and Food Services for 2 Attendees |
| Equipment[4] | $0 | $600 | Lump Sum | Prior to Opening | Suppliers |
| Insurance[4] | $1,000 | $4,000 | as Incurred | Prior to Opening | Insurer |
| Miscellaneous Opening Costs[6] | $100 | $1,500 | as Incurred | As Incurred | Suppliers, Utilities, Etc. |
| Additional Funds – 3 Months[7] | $20,000 | $35,000 | As Incurred | As Incurred | Employees, Us, Suppliers, Utilities |
| TOTAL ESTIMATED INITIAL INVESTMENT[8] | $122,760 | $166,500 | | | |

## YOUR ESTIMATED INITIAL INVESTMENT*
## *For a two-unit opening

| Type of Expenditure | Amount | | Method of Payment | When Due | To Whom Payment is to be Paid |
|---|---|---|---|---|---|
| | Low | High | | | |
| Initial Franchise Fee[(1)] | $108,000 | $120,000 | Lump Sum | At Signing of Franchise Agreement | Us |
| Franchise Starter Package[(2)] | $22,500 | $22,500 | Lump Sum | Within 7 days of Signing of Franchise Agreement | Us |
| Annual Conference Registration Deposit | $1,000 | $1,000 | Lump Sum | Within 7 days of signing of Franchise Agreement. | Us |
| Launch Campaign (Marketing for Grand Opening) | $15,000 | $30,000 | As Incurred | As Incurred | Suppliers. Note: this campaign spans your first six months, not the first three months. |
| Initial Training[(3)] | $250 | $2,000 | As Incurred | As Incurred | Providers of Travel, ground transportation, and Food Services for 2 Attendees |
| Equipment[(4)] | $0 | $600 | Lump Sum | Prior to Opening | Suppliers |
| Insurance[(4)] | $1,000 | $4,000 | as Incurred | Prior to Opening | Insurer |
| Miscellaneous Opening Costs[(6)] | $100 | $1,500 | as Incurred | As Incurred | Suppliers, Utilities, Etc. |
| Additional Funds – 3 Months[(7)] | $20,000 | $35,000 | As Incurred | As Incurred | Employees, Us, Suppliers, Utilities |
| TOTAL ESTIMATED INITIAL INVESTMENT[(8)] | $122,760 | $216,600 | | | |

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your GC Franchise. We may finance a portion of your Initial Franchise Fee, but not any other fees or expenses payable to us (Item 10 has more information regarding this financing). The availability and terms of financing depend on your creditworthiness. Otherwise, we do not offer direct or indirect financing for these items. All expenditures paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. All expenses payable to third parties are non-refundable, except as you may arrange for utility deposits and other payments.

1. Initial Franchise Fee. The low estimate included a ten per cent (10%) veteran discount. Item 5 has more information on the Initial Franchise Fee.

2. Franchise Starter Package. You will obtain a "Franchise Starter Package" from us that includes product samples from preferred vendors, a starter set of marketing materials to aid in localized marketing campaigns, hotel expenses for your in-person training in Denver, your first three months of service with our preferred marketing agency for SEO and PPC activities (including setup fee), Google Business Profile (GBP) optimization setup, and your first three months of service with our preferred call center vendor. The fee for the Franchise Starter Package is $22,500 (plus applicable tax, tariff, and freight/shipping costs), in addition to your Initial Franchise Fee.

3. Initial Training. Provided they attend at the same time, we provide initial training for two people at our training center at our headquarters, or at another location designated by us, which must include you, or if you are an entity, your Designated Owner, and your Manager, if you have one (as defined in Item 15). We arrange and pay for up to five nights of lodging expenses for one room for up to two attendees at a hotel of our choice. For continuous learning, we provide ongoing training opportunities through vendor on-site sessions, webinars, and eLearning resources. These options are designed to support your ongoing development beyond the initial training. Please note that lodging expenses will not be covered by us for any of the recommended continuous learning paths. Additionally, if you choose to attend any additional vendor trainings, you will be responsible for payment of the associated costs, including any training fees or related expenses. Any extra training or participants beyond your initial training may incur additional fees and expenses. Your expenses will vary based on whether you have one or two persons attend the initial training program. The low estimate is based on one (1) person attending training and the high estimate is based on two (2) people attending training. If additional training is required, or more people must be trained, an additional fee will be assessed.

4. Equipment. The Franchise Starter Package is provided to you at no additional charge. This estimated expense is for additional necessary equipment which includes a multi-function fax/scanner/copy machine, an office or cellular phone, and credit card processing service.

5. Insurance. You must obtain and maintain, at your own expense, the insurance coverage we require, and satisfy other insurance-related obligations. Please note that if you have had prior issues or claims from previous operations unrelated to the operation of a GC Business, your rates may be significantly higher than those estimated above.

6. Miscellaneous Opening Costs. This estimate includes office supplies, mobile telephone fees, high speed internet, business entity filing fees, legal and accounting fees, and insurance. Note that this amount does not include the cost to obtain a contractor's license. If you are in a state that requires such a license, we recommend you hire a contractor for

assistance with your installations. If you choose to obtain such a license, your costs may be greater than the figures listed in this estimate. You are not required to have an opening inventory of products. We provide initial product samples in your Franchise Starter Package.

7. Additional Funds. These amounts represent our estimate of the amount needed to cover your expenses for the initial three (3) month start-up phase of your GC Business. They include payroll costs during the first three (3) months of operation, but not any draw or salary for you. These amounts also include vehicle lease payments (but does not include estimates for items such as purchasing your Vehicle, leasing options for your vehicle other than the three month period specified) software payments to designated vendors, acquiring a license, insurance, registration, or other permits for your Vehicle, wrapping your Vehicle, or otherwise making improvements to your Vehicle. The amounts additionally reflect subscription costs for required online accounting software, for the first three months of operation, and contemplate your choice to potentially hire a bookkeeper's services. The figures in this Additional Funds category do not include standard pre-opening expenses, Royalties, or marketing fees payable under the Franchise Agreement or debt service. For purposes of this disclosure, we estimated the start-up phase to be three (3) months from the date your GC Business opens for business. Our estimates are based on our experience, the experience of our affiliates and our current requirements for a GC Franchise. Additional funds for the operation of your GC Franchise will be required after the first three months of operation if sales produced by the GC Franchise are not sufficient to produce positive cash flow.

8. Figures May Vary. This is an estimate of your initial start-up expenses for one GC Franchise. You should review these figures carefully with a business advisor before making any decision to purchase the Franchise.

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

Standards and Specifications

To ensure the highest degree of quality and service is maintained, you must operate your GC Business according to our System, methods, standards and specifications. This includes purchasing or leasing all goods, services, supplies, equipment, inventory, and computer hardware and software related to establishing and operating the GC Franchise under our specifications, which may include purchasing these items from: (i) our designees, (ii) approved suppliers/vendors, and/or (iii) us or our affiliates. You must not: (i) deviate from these methods, standards, and specifications without our prior written consent, or (ii) otherwise operate in any manner which reflects adversely on our Marks or the System. Our confidential operations manual ("Brand Standards Manual" which includes our Gotcha Covered Sales Process (and all supporting resources and documents found on Gotcha Connected), Policy and Procedures Manual, and associated content) states our standards, specifications, and guidelines for all products and services

we require you to obtain in establishing and operating your GC Franchise, and approved vendors for these products and services. The Brand Standards Manual may exist in various parts, locations, and formats, and may include a combination electronic materials, websites and other written materials.

We will notify you of new or modified standards, specifications, and guidelines through periodic amendments or supplements to the Brand Standards Manual or through other written communication (including electronic communication such as email or through a system-wide intranet).

You must purchase, install, maintain in sufficient supply, and use only fixtures, furnishings, equipment, signs, and supplies that conform to the standards and specifications described in the Brand Standards Manual or otherwise in writing. We will notify you of new or modified standards, specifications, and guidelines through periodic amendments or supplements to the Brand Standards Manual or through written communication (including electronic communication).

You must use the computer hardware and software that we periodically designate to operate your GC Franchise ("Computer System"). You must, at your cost, obtain the computer hardware, software licenses, maintenance and support services and other related services for your Computer System that meet our specifications from the suppliers we specify. These requirements include an obligation that you use the accounting software that we periodically designate, including providing us access to such software and reports, and all related access and functions. The Computer System is included in the Franchise Starter Package, and will be designated for business purposes. Any software programs not related to the operation of the Gotcha Covered Business must be approved by us before installation.

You must have a vehicle which you will use in the operation of the GC Business ("Vehicle"). You may use a vehicle you currently own as your Vehicle, provided it meets our specifications and that we approve your Vehicle prior to use; otherwise you will be required to lease or purchase a Vehicle. The body of the Vehicle must be clean and free of any major or minor damage. We reserve the right to revoke our approval of a Vehicle should the Vehicle no longer meet our minimum standards.

You must obtain the insurance coverage required under the Franchise Agreement. Currently you must obtain and maintain auto insurance and a commercial general liability policy with a minimum of $1,000,000 for each occurrence with a general aggregate of not less than $2,000,000, naming us and any affiliates we designate as an additional insured. You must also obtain and maintain in full force and effect during the term of your Franchise Agreement, and at your expense, unemployment insurance and worker's compensation insurance sufficient to meet the applicable laws and regulations. The insurance company must be authorized to do business in the state where your GC Business is located and must be approved by us. It must also be rated "A" or better by A.M. Best & Company, Inc. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time as established in updates to the Brand Standards Manual.

You are required to obtain and keep in force by advance payment of premium appropriate liability insurance. The insurance will include, at a minimum, the following:

E. Comprehensive general liability insurance, including and products liability, completed operations, property damage, contractual liability, independent contractors liability, owned and non-owned and hired automobile coverage, and personal injury coverage with a combined single limit of at least $1,000,000 per occurrence and $2,000,000 aggregate, including umbrella coverage.

B. Workers' compensation and employer's liability insurance, and other insurance required by statute or rule of the state in which the franchise is located and operated.

C. Business interruption and lost profit insurance.

D. Employer Practice liability insurance.

E. Automobile liability insurance, including owned, non-owned, leased and hired vehicle coverage, with a combined single limit of at least $1,000,000 for death, personal injury and property damage.

The insurance will not be limited in any way because of any insurance we maintain. Maintenance of the required insurance will not diminish your liability to us under the indemnities contained in this Agreement. The policy or policies will insure against our vicarious liability for actual and, unless prohibited by applicable law, punitive damages assessed against you.

We may require you to increase the minimum limits of and types of coverage to keep pace with regular business practice and prudent insurance custom.

The insurance will insure us, you, and our respective subsidiaries, owners, officers, directors, partners, members, employees, servants, and agents against any loss, liability, products liability, personal injury, death, or property damage that may accrue due to your operation of the Franchise. Your policies of insurance will contain a separate endorsement naming us as an additional named insured. Within five (5) business days after issuance of a new or renewal policy, you must provide a copy of the certificate of insurance bearing our endorsement as an additional insured to us or to our designee.

In addition to the computer equipment we require you to purchase as disclosed in Item 7 above, we may require you to install and use accounting and business control computer systems approved by us. You must lease, purchase or otherwise acquire, from sources of your choice and at your expense, software and hardware (including but not limited to programs, computer terminals and Internet) which strictly conform to our specifications as outlined in Item 11, below. Your total purchase costs for these additional computer systems will range from $1,500 to $5,000.

Purchases from Approved Suppliers

You must purchase all products, equipment, supplies, and materials only from approved suppliers (including manufacturers, wholesalers, and distributors). We will provide you with a list of our designated and approved suppliers and of your required purchases or services in our Brand Standards Manual. We estimate that approximately 90% of purchases required to open your GC

Business and 90% of purchases required to operate your GC Business will be from us or from other approved suppliers and under our specifications. Some suppliers may give or pay GCF payment discounts and/or rebates based on purchases by GCF franchisees. These amounts may be paid by suppliers to GCF, at GCF's sole determination. During our last fiscal year, ended December 31, 2025, we derived rebate revenue of $1,116,609.23in revenues resulting from purchases by franchisees. This was 14.86% of our total revenue of $7,512,590.54 for the fiscal year 2025.

We are currently the only approved supplier of the Franchise Starter Package. We are also the only approved supplier of email account services, as we collect the fee for these services and remit it to a third party provider on your behalf. Some of our officers own an equity interest in GCF, which is an approved supplier.

We do not have any purchasing or distribution cooperatives as of the Issuance Date of this Franchise Disclosure Document. We may negotiate purchase arrangements with suppliers and distributors of approved products for the benefit of our franchisees. Such arrangements may also include us providing certain services, such as payment processing or administration of the contract or reporting, which may have a reasonable associated fee, markup, discount, or rebate. We and our affiliates may receive rebates or other consideration from suppliers in consideration for goods or services that we require or advise you to obtain from approved suppliers, and we reserve the right to do so in the future. Our revenue or other consideration received may include promotional allowances, volume discounts, and other payments. There are no caps or limitations on the maximum rebates we may receive from our suppliers as the result of franchisee purchases. We do not provide material benefits, such as renewing or granting additional franchises to franchisees based on their use of designated or approved suppliers. During fiscal year ended December 31, 2025, our affiliate, ProNexis, received $48,153.18 in revenues from our franchisees for required purchases.

Approval of New Suppliers

If you want to use or sell a product or service that we have not yet evaluated, or if you want to purchase or lease a product or service from a supplier or provider that we have not yet approved (for products and services that require supplier approval), you must notify us and submit to us the information, specifications, and samples we request. We will use commercially reasonable efforts to notify you within thirty (30) days after receiving all requested information and materials whether you are authorized to purchase or lease the product or service from that supplier or provider. We reserve the right to charge a fee to evaluate the proposed product, service, or supplier. We apply the following general criteria in approving a proposed supplier: (1) ability to purchase the product in bulk; (2) quality of services; (3) production and delivery capability; (4) proximity to GC Franchises to ensure timely deliveries of the product or services; (5) the dependability of the supplier; and (6) other factors. The supplier may also be required to sign a supplier agreement with us. We may periodically re-inspect approved suppliers' facilities and products, and we reserve the right to revoke our approval of any supplier, product, or service that does not continue to meet our specifications. We will send written notice of any revocation of an approved supplier, product, or service. When you receive written notice of a revocation, you must stop selling any disapproved products, and stop purchasing from any disapproved supplier.

## ITEM 9
## FRANCHISEE'S OBLIGATIONS

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

| Obligation | | Section in Franchise Agreement | Item in Disclosure Document |
|---|---|---|---|
| a. | Site selection and acquisition/lease | Section 1.3 | Item 11 |
| b. | Pre-opening purchases/leases | Section 5.6 | Item 7 |
| c. | Site development and other pre-opening requirements | Sections 3 and 5 | Items 5, 7 and 11 |
| d. | Initial and ongoing training | Sections 3.1, 3.2 and 5.10 | Item 11 |
| e. | Opening | Section 5.16 | Item 11 |
| f. | Fees | Sections 2.2, 4, 9.2 | Items 5, 6 and 7 |
| g. | Compliance with standards and procedures and policies/operating manual | Sections 5.3, 6.1 and 6.2 | Items 8, 11 and 14 |
| h. | Trademarks and proprietary information | Sections 5.3 and 7 | Items 13 and 14 |
| i. | Restrictions on products/services offered | Sections 5.5 and 5.11 | Items 8 and 16 |
| j. | Warranty and customer service requirements | Section 5.8 | Item 16 |
| k. | Territorial development and sales quotas | Section 1.3 | Item 12 |
| l. | Ongoing product/service purchases | Sections 1.2, 5.5 and 5.11 | Item 8 |
| m. | Maintenance, appearance and remodeling requirements | Section 5.7 | Item 11 |
| n. | Insurance | Section 5.12 | Items 6 and 8 |
| o. | Marketing | Sections 4, 5.2, 5.3, 5.4 and 5.9 | Items 6, 7 and 11 |
| p. | Indemnification | Section 13.4 | Item 6 |
| q. | Owner's participation/ management/staffing | Section 5.1 | Item 15 |
| r. | Records and reports | Section 8 | Item 6 |
| s. | Inspections and audits | Sections 5.1 and 8.4 | Item 6 |
| t. | Transfer | Section 9 | Item 17 |
| u. | Renewal | Section 2.2 | Item 17 |
| v. | Post-termination obligations | Section 11 | Item 17 |
| w. | Non-competition covenants | Section 7.2 | Item 17 |
| x. | Dispute resolution | Sections 18 and 19 | Item 17 |

## ITEM 10
## FINANCING

We do not arrange any type of financing from any source. We do not guarantee your note, lease, or other obligation.

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

**Except as listed below, GCF is not obligated to provide you with any assistance.**

Pre-opening Obligations

Before you open your GC Business, we (or our affiliates or designee(s)) will provide the following assistance and services to you:

1. Provide an initial training program (See Franchise Agreement – Section 3.1).

2. Loan you, or make available to you on our website, one (1) copy of the Brand Standards Manual, which currently consists of our sales process (the "Gotcha Covered Sales Process" (together with all supporting resources and documents found on Gotcha Connected)) and a policy and procedures manual ("Policy & Procedures Manual"). The Gotcha Covered Sales Process contains approximately 187 pages. The Policy & Procedures Manual contains approximately 48 pages. The table of contents for the Brand Standards Manual is attached to this Franchise Disclosure Document as Exhibit D (See Franchise Agreement – Section 3.1).

3. Because you do not have to locate a site from which to operate your GC Business, we do not provide you with assistance in doing so. You may open an office, but it is not required. You will not need our approval of a site if you choose to open an office (See Franchise Agreement – Section 5.6).

4. Designate your Area of Primary Responsibility (See Franchise Agreement – Section 1.3).

5. Provide you with the Franchise Starter Package (See Franchise Agreement – Section 4.a.).

We do not provide the above services to renewal franchisees and may not provide all of the above services to franchisees that purchase existing GC Businesses.

*Schedule for Opening*

The typical timeline between signing the Franchise Agreement or payment of any fees and the opening of the GC Business depends on completion of the 6-week training program. Onboarding, which occurs prior to this training program, can take an additional 2-4 weeks and may vary depending on individual circumstances. This estimate assumes that you will initially be working from your home or already have a site for the GC Business or that you will identify one shortly after signing the Franchise Agreement. Some factors which may affect this timing are your

ability to secure any necessary financing, your ability to obtain any necessary permits and certifications, the time to complete required training, the timing of the delivery of any inventory or equipment, and hiring and training of your staff.

You may not open your GC Business until: (1) we notify you in writing that all of your pre-opening obligations have been fulfilled; (2) you have completed the initial training program to our satisfaction; (3) all amounts due to us have been paid; (4) we have been furnished with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums we request; (5) you notify us that all approvals and conditions stated in the Franchise Agreement have been met; (6) you have received all required permits and licenses; and (7) you have ordered, received, and installed any equipment, supplies, inventory, and related materials. You must be prepared to open and operate your GC Business immediately after we state your GC Business is ready for opening.

Continuing Obligations

During the operation of your GC Business, we (or our affiliates or designee(s)) will provide the following assistance and services to you:

1. Provide Continuous Learning Opportunities (see Training Section below) (See Franchise Agreement – Section 3.1).

2. Continue to loan you, or make available to you on our website, one (1) copy of the Brand Standards Manual. The Brand Standards Manual contains mandatory and suggested specifications, standards, operating procedures, and rules ("System Standards"). We may modify the Brand Standards Manual periodically to reflect changes in System Standards (See Franchise Agreement – Section 3.1).

3. Upon reasonable request, provide advice regarding your GC Business operations based on your reports and our inspections. Advice will be given during our regular business hours and via written materials, electronic media, telephone, or other methods in our discretion. We also will guide you on standards, specifications, and operating procedures and methods that GC Businesses use; marketing and marketing materials and programs; employee training; and administrative, bookkeeping, accounting, and inventory control procedures (See Franchise Agreement - Sections 3.1.h and 3.3.b).

4. Make materials available for promotional brochures, marketing and marketing through our approved suppliers, and business forms (See Franchise Agreement – Section 3.1.h).

5. Maintain and administer one or more websites to advertise, market, and promote GC Businesses and the products and services offered (each a System Website) (See Franchise Agreement – Section 5.3.c).

6. Allow you to continue to use confidential materials, including the Brand Standards Manual and the Marks (See Franchise Agreement – Sections 3.1 and 5.3).

7. License to you the software for the GC Business, including all updates and enhancements created during the term of this Franchise Agreement (if any) (See Franchise Agreement – Section 3.1.f).

Optional Assistance

During the term of the Franchise Agreement, we (or our affiliates or designee(s)) may, but are not required to, provide the following assistance and services to you:

1. Modify, update, or change the System, including the adoption and use of new or modified trade names, trademarks, service marks, or copyrighted materials, new products, new equipment, or new techniques (See Franchise Agreement – Section 5.15).

2. Make periodic visits to the GC Business for the purpose of assisting in all aspects of the operation and management of the Franchise, prepare written reports concerning these visits outlining any suggested changes or improvements in the operation of the Franchise, and detailing any problems in the operations which become evident as a result of any visit. If provided at your request, you must reimburse our expenses and pay our then-current training charges (See Franchise Agreement – Sections 3.1.d and 3.3.c).

3. Maintain and administer an marketing fund. We may dissolve the marketing fund upon written notice (See Franchise Agreement - Section 3.3.e).

4. Hold periodic national or regional conferences to discuss business and operational issues affecting GCF franchisees (See Franchise Agreement – Section 3.1.e).

Marketing

*Marketing Fund*

We have established a national marketing fund for marketing, developing and promoting the System, the Marks and GC Franchises ("Marketing Fund"). You must contribute a monthly fee which is described in Item 6 ("Marketing Fund Fee"). The Marketing Fund Fee range increases incrementally according to month of operation. For the first year of operation, you will pay: $125 for the first four months; $250 for months five through seven; $375 for months eight (8) through ten 10; $500 for months 11 through 13; $625 for months 14 through 17; $750 for months 18 through 20; $875 for months 21 through 23; and $1,000 beginning in month 24 and for the remainder of your franchise term. The Marketing Fund may allocate resources to advertise locally, regionally, and/or nationally, in printed materials, on radio, on television, and/or on the internet, in our sole discretion. Some expenses may be incurred from the Fund in connection with our efforts related to franchise sales.

Your contribution to the Marketing Fund will be in addition to all other marketing requirements set out in this Item 11. Each franchisee will be required to contribute to the Marketing Fund but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. GC Businesses owned by us or our affiliates are obligated to contribute this same amount to the Marketing Fund on a monthly basis.

The Marketing Fund will be administered by us, or our affiliate or designees, at our discretion. All creative concepts, materials, and media used in these programs and their placement and allocation will be created by our in-house marketing department or by an outside third party. We may use a professional marketing agency or media buyer to assist us. The Marketing Fund will be in a separate bank account, commercial account or savings account. We have complete discretion on how the Marketing Fund will be utilized. We may use the Marketing Fund for local, regional or national marketing, sales promotion and promotional materials, public and consumer relations, website development and search engine optimization, the development of technology for the System and any other purpose to promote the Gotcha Covered brand. We may reimburse ourselves, our authorized representatives or our affiliates from the Marketing Fund for salary, benefits, and other compensation of officers, directors, employees, or independent contractors based on time spent working on any brand fund matters, together with administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other direct or indirect expenses associated with the programs funded by the Marketing Fund. We will be entitled to charge the Marketing Fund an administration fee of up to 15% of the expenditures by the Marketing Fund (See Franchise Agreement – Section 3.3.e). We are not obligated to spend any amount on marketing in the geographical area where you are or will be located. We will not use the Marketing Fund Fees for marketing that is principally a solicitation for the sale of Franchises, but we reserve the right to include a notation in any advertisement indicating "Franchises Available" or similar phrasing or include information regarding acquiring a franchise on or as a part of materials and items produced by or for the Marketing Fund. We typically disseminate marketing in electronic media. The Marketing Fund periodically will give you samples of marketing, and promotional formats and materials at no cost.

We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Marketing Fund or to maintain, direct or administer the Marketing Fund. Any unused funds in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the Marketing Fund on any terms we deem reasonable. The Marketing Fund may allocate in any fiscal year more or less than the total Marketing Fund Fees in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use interest earned on Marketing Fund Fees to pay costs before spending the Marketing Fund's other assets. We may use collection agents and institute legal proceedings to collect Marketing Fund Fees at the Marketing Fund's expense. We may also forgive, waive, settle, and/or compromise all claims by or against the Marketing Fund. We may at any time defer or reduce a franchisee's Marketing Fund Fees and, upon 30 days' prior written notice to you, reduce or suspend Marketing Fund Fees and operations for one or more periods of any length and terminate and reinstate the Marketing Fund. If we terminate the Marketing Fund, we will distribute all unused contributions to contributing franchisees, and to us or our affiliates, in proportion to respective contributions during the preceding 24-month period.

The Marketing Fund is not audited. We will provide an annual accounting for the Marketing Fund that shows how the Marketing Fund proceeds have been spent for the previous year upon written request. During our most recent fiscal year ending December 31, 2025, the Marketing Fund was spent as follows: 45.6% on paid marketing/websites/domains, 37.7% on administrative expenses, 12% on pilot programs, sponsorships and miscellaneous costs, and 4.7% on outsourced services and software. The excess of $5,970.28 was carried forward on our balance sheet.

*Local Marketing*

In addition to paying Marketing Fund Fees you are required to spend at least five percent (5%) of your monthly sales on local marketing/marketing. These expenditures are subject to the approval and direction of GCF. You must state in all your advertisements and promotional materials (including business cards, order forms, and letterhead) that your GC Business is independently owned and operated, using language that we may specify from time to time. You must provide your local telephone number, and if toll-free service has been established, you may include that number. If you do not spend 5% of your gross sales within a calendar year on local, in-territory marketing, you will contribute the difference between the amount expended and the amount you should have expended as additional National Marketing Fees to us.

You agree, at your sole cost and expense, to issue and offer such rebates, giveaways, and other promotions in accordance with marketing programs established by us, and further agree to honor the rebates, giveaways, and other promotions issued by other GC franchisees under any such program, so long as such compliance does not contravene any applicable law, rule, or regulation. You will not create or issue any gift cards/certificates and will only sell gift cards/certificates that have been issued or sponsored by us and which are accepted at all GC Businesses, and you will not issue coupons or discounts of any type except as approved by us.

You may be required to participate in any local or regional marketing cooperative for GC Franchises that is established. The area of each local and regional marketing cooperative will be defined by us, based on our assessment of the area. Franchisees in each cooperative will contribute an amount to the cooperative for each GC Franchise that the franchisee owns that exists within the cooperative's area. Each GC Franchise we own that exists within the cooperative's area will contribute to the cooperative on the same basis as franchisees. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions from each member. We may require that each cooperative that exceeds five (5) franchisee members must operate with governing documents. Each cooperative must prepare annual unaudited financial statements, and such statements will be provided for review to each member of such cooperative. We reserve the right to form, change, dissolve, or merge any marketing cooperative formed in the future. If we elect to form such cooperatives, or if such cooperatives already exist near your area of primary responsibility, you will be required to participate in compliance with the provisions of the Brand Standards Manual, which we may periodically modify in our discretion.

*Launch Campaign or Initial Marketing Expenses*

We recommend, but do not require, that franchisees participate in the Launch Campaign. The Launch Campaign consists of a broad-based marketing and marketing plan to help launch your GC Business. The plan includes several online and offline marketing programs that will be tailored to your market and situation, including vehicle signage, additional marketing materials, and other signage and supplies for a home show. The amount varies based on a number of factors, including, but not limited to, the choice of vehicle signage (magnetic sign or full vehicle wrap),

the cost to exhibit at your home show, and the specific marketing programs that you choose. If you choose to not participate in the Launch Campaign and choose to conduct initial marketing on your own, you should make alternative arrangements to market the GC Business to the public. The cost of the Launch Campaign or your own initial marketing plan is structured to be disbursed over the course of the first six (6) months of your GC Business as set forth in Item 7.

*Marketing Resources, Approvals for Marketing Materials, and Internet Marketing*

You may not develop marketing and promotional materials for your own use. All marketing, promotional, and marketing content must be clear, factual, not misleading, and must conform to both the highest standards of ethical marketing and marketing and the marketing and marketing policies that we may require from time to time. Use of logos, Marks, and other name identification materials must follow our approved standards. You may not use our logos, Marks, and other name identification materials on items to be sold or services to be provided without our prior written approval. You may not use any marketing, promotional, or marketing materials that we have not provided or approved. You may not advertise via the internet or a worldwide web page, including websites such as Twitter, and Facebook, unless we have authorized you to do so in writing and pursuant to our online policies. If you use unauthorized marketing materials, you must pay a fee of $500 per occurrence to us.

*System Website*

We have established a system website for GC Businesses ("System Website"). As long as we maintain a System Website, we will have the right to use the Marketing Fund assets to develop, maintain, and update the System Website. If you wish to advertise online, you must follow our online policy, which is contained in our Brand Standards Manual. Our online policy may change as technology and the internet changes. Under our online policy, we may retain the sole right to market on the internet, including all use of websites, domain names, marketing, and co-branding arrangements. We may restrict your use of social media. We may not allow you to independently market on the internet, or use any domain name, address, locator, link, metatag, or search technique with words or symbols similar to the Marks. We intend that any franchisee website will be accessed only through the System Website.

We are only required to reference your GC Business on the System Website while you are in full compliance with your Franchise Agreement and all System Standards. If you are in default of any obligation under the Franchise Agreement or System Standards, then we may temporarily remove references to your GC Business from the System Website until you fully cure the subject default(s). You may not, without our prior written approval, develop, maintain, or authorize any website that mentions or describes you, your GC Business, or displays any of the Marks. If we approve your use of a website, including social media websites, we will reserve the right to require you to obtain our written approval of its initial content and as it is updated or modified from time to time. If we develop a template or other standardized format and/or content for franchisee websites, you must agree to use our mediums and to use any supplier that may be designated in the Brand Standards Manual (See Franchise Agreement – Section 5.3.c).

*Advisory Council*

We have an advisory council ("Council") to provide us franchisee feedback pertaining to the system. The Council is not governed by bylaws. The purpose of the Council is to promote communications

between us and all franchisees. Members of the Council consists of both chosen or appointed franchisees in full compliance with their franchise agreements and corporate representatives. Members of the Council are selected by way of a vote among franchisees in full compliance with their franchise agreements. We anticipate that a Council would serve in an advisory capacity only but may grant to the Council any operation or decision-making powers that we deem appropriate. We have the power to form, change, or dissolve the Council, in our sole discretion.

Software and Computer Equipment

You must purchase or lease, and maintain and use, only such computer(s), hardware, software, web technologies or applications, required dedicated internet access, modem(s), printer(s), and other related accessories or peripheral equipment, and methods of operation as we specify in the Brand Standards Manual or otherwise in writing (collectively the "Computer System"). GCF will provide to you our proprietary Gotcha Linked software in the Franchise Starter Package. You must obtain our approval if you want to delete any software or add any software not related to the operation of your GC Business other than as specified by us. You will be required to sign a Software License Agreement in the form of Attachment 4 to the Franchise Agreement. Other than our proprietary software referenced above, none of the hardware or software you are required to obtain is proprietary to us. You may use any hardware and software that is functionally equivalent and fully compatible with our proprietary software.

The Computer System will manage the daily workflow of the GC Business, coordinate the customer ordering experience, manage purchase orders, installations, and other information. You must record all gross sales on the Computer System. You must store all data and information in the Computer System that we designate, and report data and information in the manner we specify. The Computer System will generate reports on the gross sales of your GC Franchise. You must also have access to high speed internet connection for your GC Business. In addition to offering and accepting gift cards and loyalty cards, you must use any payment vendors and accept all payment methods that we determine. We provide you enhancement and maintenance upgrades, although we are not required to provide you with any ongoing maintenance, repairs, upgrades, updates, or support for the Computer System beyond those routine updates. You must arrange for installation, maintenance, and support of the Computer System at your cost. There are no limitations in the Franchise Agreement regarding the costs of such required support, maintenance, repairs, or upgrades relating to the Computer System. The cost of maintaining, updating, or upgrading the Computer System or its components will depend on your repair history, costs of computer maintenance services in your area, and technological advances. We estimate the annual cost will range between $0 and $1,200, but this could vary (as discussed above). We may revise our specifications for the Computer System periodically. You must upgrade or replace your Computer System at such time as specifications are revised. There is no limitation on the frequency and cost of this obligation. You will pay any and all, annual or otherwise, software fees, or other fees, as required by our approved suppliers to maintain your Computer System and software. You acknowledge and agree that our suppliers have the right to increase or decrease the software fees at any time, in their sole discretion, upon written notice to you. You further acknowledge and agree that we reserve the right to change our approved suppliers, including any software suppliers, at any time and in our sole discretion. If you are in default of any obligations under the Franchise Agreement, we may, in addition to any other remedy we may have under the

Franchise Agreement, temporarily inhibit your access to all or part of the Computer System, including any proprietary software, until you have cured such default completely.

You must pay us the Technology Fee, currently $476 per month, for technology-related services. You must also obtain certain software and related software-as-a-service offerings from vendors as we may establish, at their then-current rates. These may include accounting, bookkeeping, marketing, CRM, sales or point-of-sale, and similar offerings. See Item 6 for information on these fees.

You will have sole responsibility for: (1) the operation, maintenance, and upgrading of your Computer System; (2) the manner in which your Computer System interfaces with our computer system and those of other third parties; and (3) any and all consequences that may arise if your Computer System is not properly operated, maintained, and upgraded.

We (or our designee(s)) have the right to independently access the electronic information and data relating to your GC Franchise, and to collect and use your electronic information and data in any manner, including promoting the System. This may include posting financial information of each franchisee on an intranet website and using the financial information in Item 19 of our Franchise Disclosure Document. There is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system. We may access the electronic information and data from your Computer System remotely, in your GC Business, or from other locations. We have the right to reporting from your Computer System and business records, including a right to inspect or audit business records as well as to regular and periodic reports of your revenue and business operations. This right to audit includes all business records, including bank statements, tax returns (business and individual, as well as any applicable sales tax records), accounting software records, or other reasonably requested business records. Failure to timely deliver requested records or to comply with a duly-noticed audit may result in fees as set forth in Item 6.

Training

*Initial Training Program*

The Initial Training Program lasts for approximately six weeks, with a combination of virtual and in-person sessions. The program includes a mix of eLearning, webinars, and vendor-led training. Week 5 of the program will be conducted in-person in Denver, Colorado (or another location we designate). This training is provided as part of our services paid for with your Initial Franchise Fee and does not incur an additional or separate fee.

Prior to attending the Initial Training Program, you will complete the onboarding process, which typically takes 2-3 weeks and may vary depending on individual circumstances.

The first four weeks of the Initial Training Program will be completed virtually, and Week 5 will take place in-person in Denver. Week 6 will be a continuation of virtual learning, as needed, to reinforce key topics. The training may vary in length depending on the number of attendees and their prior experience.

You (or your Designated Owner, if you are an entity) and your Manager (if applicable) must complete the Initial Training Program within 90 days after signing the Franchise Agreement and to our reasonable satisfaction. GCF will arrange and pay for up to five nights of lodging for

one hotel room for up to two attendees during the in-person portion of the training in Denver. Any additional expenses, including transportation and meals, are your responsibility.

The Initial Training Program is offered on a set schedule, with 8 sessions held each year. We will provide training to up to two people, provided they attend at the same time. The hours presented for each subject are estimates and may change.

**INITIAL TRAINING PROGRAM**

| Subject | Hours of Classroom Training | Hours of On-The-Job Training* | Location |
|---|---|---|---|
| Business Fundamentals | 50 | 0 | Virtual / Self-Paced / Our Headquarters |
| Industry & Product Knowledge | 50 | 0 | Virtual / Self-Paced / Our Headquarters |
| Marketing & Promotion | 50 | 0 | Virtual / Self-Paced / Our Headquarters |
| Customer Relations & Sales | 50 | 0 | Virtual / Self-Paced / Our Headquarters |
| Total | 100 Hours | 0 Hours | |

*No on-the-job training is provided, although you will practice (with the instructor present) the necessary skills to operate the GC Business.

Notes:

The training subjects may vary, and the training may be less than the times indicated above, depending on the number and experience of the attendees. Business Fundamentals will include topics such as: tools and resources, organizing your business, finance 101, understanding pricing, marketing budgeting, product expectations, and understanding warranties/handling complaints. Industry & Product Knowledge will include topics such as: window treatment industry, product knowledge, soft goods 101, designing 101, vendor presentations, and understanding booth events. Marketing & Promotion will include topics such as promoting yourself, social media, market action planning and activities, marketing budgeting, and other aspects of marketing. Customer Relations & Sales will include topics such as customer experience, CRM training, psychology of sales, overcoming objections, and the client lifecycle.

Our instructors may include GCF employees, former franchisees, subject matter experts, vendor representatives, store managers, and/or assistant managers with a minimum of five years of experience in business management and marketing.

All Trainers or virtual/self-paced content will be selected by by Ms. Hoegren, our Brand President, and will have or be based upon significant experience in the subject matters for which they are responsible for training.

We will use the Brand Standards Manual, handouts, computers, product samples, measuring devices, role playing exercises, and tests as the primary instruction materials during the Initial Training Program.

*Ongoing Training – Continuous Learning Opportunities*

After completing the Initial Training Program and opening your Gotcha Covered Business, you (or your Designated Owner, if you are an entity) or your Manager must participate in ongoing training to ensure continued growth and development. This ongoing training may include vendor-led onsite sessions, webinars, eLearning courses, and other resources. Ongoing training is designed to support your ongoing success and should be completed regularly, with a recommended focus on continuous learning within the first 6 months of opening your Gotcha Covered Business.

Additional individuals, if permitted, would be required to pay the current training fees and cover all associated expenses. These training opportunities will be held at various locations, including virtual and in-person options. Please note that lodging and travel expenses are not covered for any ongoing training, and attendees are responsible for all related costs. The ongoing training topics are designed to further enhance your knowledge and capabilities, and we plan to offer a variety of sessions throughout the year. The hours presented for each subject are estimates and may change.

## ADVANCED TRAINING PROGRAM

| Subject | Hours of Classroom Training | Hours of On-The-Job Training* | Location |
|---|---|---|---|
| Business Management | 10 | 0 | Virtual / Self-Paced / Our Headquarters |
| Hard Product Knowledge | 40 | 0 | Virtual / Self-Paced / Our Headquarters |
| Soft Product Knowledge | 20 | 0 | Virtual / Self-Paced / Our Headquarters |
| Marketing and Sales | 20 | 0 | Virtual / Self-Paced / Our Headquarters |
| Measuring Skills | 10 | 0 | Virtual / Self-Paced / Our Headquarters |
| Total Hours | 100 Hours | 0 Hours | |

*No on-the-job training is provided, although you will practice (with the instructor present) the necessary skills to operate the GC Business.

Notes:

The training subjects may vary, and the training may be less than the times indicated above, depending on the number and experience of the attendees or on the individual learning progress and pace, and the format of the training. The hours listed are approximate and may vary based on individual learning progress and pace and the format of the training.

All Trainers or virtual/self-paced content will be selected by Ms. Hoegren, our Brand President, and will draw upon significant experience in the subject matters for which they are responsible for training.

Other instructors may include GCF employees, former franchisees, subject matter experts, vendor representatives, store managers, and/or assistant managers with a minimum of five years of experience in business management and marketing.

From time to time, we may also require that you (or your Designated Owner if you are an entity), Managers and other employees attend system-wide refresher or additional training courses. Some of these courses may be optional while others may be required. If you appoint a new Designated Owner or Manager, that person must attend and successfully complete our Initial Training Program before assuming responsibility for the management of your GC Business. If we conduct an inspection of your GC Business and determine you are not operating in compliance with the Franchise Agreement, we may require that you attend remedial training that addresses your operational deficiencies. You may also request that we provide additional training (either at corporate headquarters or at your GC Business).

You or your manager must attend the regularly scheduled huddles, meetings, and conferences which are identified and scheduled by us as set forth in the Operations Manual. These are offered to provide, at no cost, additional and ongoing training aimed at your business performance and improvement. If any are rescheduled without at least 2 business days' notice, your absence will be regarded as excused. Likewise, if you obtain prior permission to be absent, such will not impact your compliance with these requirements.

## ITEM 12
## TERRITORY

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. You will receive an Area of Primary Responsibility with a minimum of 30,000 households. The Area of Primary Responsibility must be agreed upon by you and us before you sign the Franchise Agreement and pay the Initial Franchise Fee. This Area of Primary Responsibility is defined in your Franchise Agreement and is not a location to be approved in the future. You will not be given a Franchise if you and we cannot agree upon an Area of Primary Responsibility. The population statistics used in determining your Area of Primary Responsibility will be based on numbers derived from the current U.S. Census report and supplemented with other information available to us and other population statistical sources of our choosing to determine populations. In certain densely populated metropolitan areas, a territory may be small if it has a high population density, while franchisees operating in less densely populated urban areas may have significantly larger areas. The boundaries of your Area of Primary Responsibility may be described in terms of contiguous zip codes, street boundaries or county boundaries, or depicted on a map attached to your Franchise Agreement. Once we establish your Area of Primary Responsibility, we will not change or modify it without your consent. If you request that we change your location within your Area of Primary Responsibility, we will approve the relocation unless extraordinary circumstances arise such as proximity to a neighboring franchised outlet, out of market lease terms, or a proposed location that will not conform with local law.

You are prohibited from "Actively Promoting" your GC Business outside of your Area of Primary Responsibility without prior written approval from GCF. "Actively Promoting" includes all forms of both online and offline marketing and marketing for new customers that can be reasonably restricted to a zip code, including direct mailings, door leaflets, telephone solicitations, local newspapers, and localized signs. You may not engage in any promotional or similar activities, whether directly or indirectly, through or on the internet or any similar proprietary or common carrier electronic delivery system. Except for sales methods designated by us, you may not sell GC Business products and services through any alternative channel of distribution, including the internet, catalog sales, telemarketing, or other direct marketing. The restrictions: (a) ensure that you will promote the GC Business within your Area of Primary Responsibility; and (b) prevent confusion in the marketplace among other GCF franchisees soliciting the same customers and marketing in the same markets. Because the GC Business is a repeat and referral business, sales are not limited to your Area of Primary Responsibility. You may make sales anywhere, including other franchisee's Areas of Primary Responsibility (subject to applicable laws) and GCF and/or another GCF franchisee may make sales in your Area of Primary Responsibility. You may compete for customers in another GCF franchisee's area of primary responsibility and GCF, and/or another GCF franchisee may compete for customers in your Area of Primary Responsibility, subject to the same marketing restrictions as are imposed on you. GCF may solicit orders inside your Area of Primary Responsibility through internet marketing. GCF may respond to customer complaints in your Area of Primary Responsibility, which GCF may resolve in its discretion.

Other than as stated above, the Franchise is non-exclusive, and we retain the right, for ourselves and our affiliates, on any terms we deem advisable, and without granting you any rights:

1. to own, franchise, or operate GC Franchises at any location outside of the Area of Primary Responsibility, even if doing so will or might affect your operation of your GC Business;

2. to use the Marks and the System to sell any products or services similar to those which you will sell through any alternate channels of distribution within or outside of the Area of Primary Responsibility. This includes, but is not limited to, other channels of distribution such as television, mail order, catalog sales, wholesale to unrelated retail outlets, or over the internet. We exclusively reserve the internet as a channel of distribution for us, and you may not independently market on the internet or conduct e-commerce. We (nor our affiliates) neither operate nor plan to operate or to franchise businesses under a different trademark that will sell goods or services that are the same as or similar to those you will sell;

3. to use and license the use of other proprietary and non-proprietary marks or methods which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business offering window treatment sales and installation services and related products and services, at any location, including within the Area of Primary Responsibility, which may be similar to or different from the GC Business operated by you;

4. to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your GC Business, wherever located;

5. to acquire and convert to the System operated by us any businesses offering services and products similar to those offered by GC Businesses, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned, and whether located inside or outside of the Area of Primary Responsibility, provided that in such situations the newly-acquired businesses may not operate under the Marks in the Area of Primary Responsibility;

6. to use and license the use of technology to non-franchisee locations inside and outside the Area of Primary Responsibility; and

7. to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

We are not required to pay you if we exercise any of the rights specified above within your Territory. The continuation of the Area of Primary Responsibility is not dependent upon your achievement of a certain sales volume, market penetration, or other contingency. We do not pay compensation for soliciting or accepting orders inside your Area of Primary Responsibility.

Provided you are not in default under your Franchise Agreement, you will have an option to expand your Area of Primary Responsibility, subject to the terms then in effect, and subject to our approval and the availability of additional areas and Areas of Primary Responsibility. You will be required to sign an "Addendum to Franchise Agreement for Additional Area(s) of Primary Responsibility," which is attached to this Franchise Disclosure Document in Exhibit G.

If you wish to purchase an additional GC Franchise, you must apply to us, and we may, at our discretion, offer an additional GC Franchise to you. We consider a variety of factors when determining whether to grant additional GC Franchises. Among the factors we consider, in addition to the then-current requirements for new GC franchisees, are whether or not the franchisee is in compliance with the requirements under their current franchise agreement.

You are not given a right of first refusal on the sale of existing GC Franchises.

## ITEM 13
## TRADEMARKS

The Franchise Agreement and your payment of Royalties grant you the non-exclusive right and license to operate your Franchise using our principal Marks listed below. GCF has registrations with the United States Patent and Trademark Office ("USPTO") on the Principal Register for the following Marks:

| Registered Mark | Registration Date | Registration Number |
|---|---|---|
| GOTCHA COVERED | July 24, 2001 | 2,470,971 |
| | April 22, 2014 | 4,517,040 |
| | Apr. 06, 2021 | 6,313,334 |

All required affidavits and renewals have been filed for the registered mark. There are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation involving the Marks. No agreement significantly limits our right to use or license the Marks in a manner material to your Franchise. We are aware that there are two businesses that might claim rights that could affect your use of the trademarks in certain geographic areas. Currently, there is a business in Kansas City, Missouri calling itself "Weave Gotcha Covered" and operating the domain "www.weavegotchacovered.com." As of the Issuance Date, this user has not made any claims against us. If your franchise were located in the area, and if this user could establish common law trademark rights in the area, it could materially affect your use of the trademarks in the area. There is also a business in Lincoln, Nebraska calling itself "Gotcha Covered" and operating the domain "gcovered.com." As of the Issuance Date, this user has not made any claims against us. If your franchise were located in this area, and if this user could establish common law trademark rights in the area, it could materially affect your use of the trademarks in the area. We do not know of any superior prior rights or any other infringing uses that could materially affect your use of the Marks in any state.

You must follow our guidelines and requirements when using the Marks. You cannot use our name or mark as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You must indicate to the public, using language that we may specify from time, to in any contract, advertisement and that you are an independently owned and operated licensed franchisee of Gotcha Covered Franchising, LLC. You may not use the Marks in the sale of unauthorized services or products or in any manner we do not authorize. You may not use the Marks in any marketing for the transfer, sale, or other disposition of the Franchise or any interest in the Franchise. All rights and goodwill from the use of the Marks accrue to us. If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or

discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice, and will not be entitled to compensation or other rights as a result of the substitution. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue, or other indirect expenses due to any modified or discontinued Mark, or for your expenses of promoting a modified or substituted trademark or service mark.

Your right to use the Marks is derived solely from your Franchise Agreement and is limited to conducting business in compliance with the Franchise Agreement and all applicable standards, specifications, and operating procedures we prescribe. Any unauthorized use of the Marks by you will constitute an infringement of our rights in the Marks. Your use of the Marks and any goodwill established by them will be for our exclusive benefit, and your Franchise Agreement does not confer any goodwill or other interests in the Marks upon you. All provisions of your Franchise Agreement applicable to the Marks will apply to any additional proprietary trade and service marks and commercial symbols authorized for use by, and licensed to you under, your Franchise Agreement. You may not at any time during or after the term of your Franchise Agreement contest or assist any other person in contesting the validity or ownership of any of the Marks.

You must prominently display the Marks on or with franchise posters and displays, service contracts, stationery, other forms we designate, and in the manner we prescribe; to give any notices of trade and service mark registrations and copyrights that we specify; and to obtain any fictitious or assumed name registrations that may be required under applicable law.

You must notify us immediately when you learn about an infringing or challenging use of the Marks. If you are in compliance with the Franchise Agreement, we will defend you against any claim brought against you by a third party alleging your use of the Marks, in accordance with the Franchise Agreement, that infringes upon that party's intellectual property rights. We may require your assistance, but you are not permitted to control any proceeding or litigation relating to our Marks. We have the sole discretion to take such action as we deem appropriate to exclusively control any litigation or administrative proceeding involving a trademark licensed by us to you. We have no obligation to pursue any infringing users of our Marks. If we learn of an infringing user, we will take the action appropriate, but we are not required to take any action if we do not feel it is warranted. We are not required to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Marks, or if the proceeding is resolved unfavorably to you. You must not directly or indirectly contest our right to the Marks. We may acquire, develop, and use additional marks not listed here, and may make those marks available for your use and for use by other franchisees.

Since 1992, a company in Gainsville, Florida has been offering window treatment services under the name "Gotcha Covered Blindz."

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

No patents or patents pending are material to the Franchise. We claim proprietary rights in the Brand Standards Manual, which contains trade secrets, marketing and marketing materials, the System Website, our Gotcha Linked software, and similar items used in operating GC Businesses. We have not registered any copyrights in these works with the United States Registrar

of Copyrights, but we need not do so at this time to protect them. You may use these items only as we specify while operating your GC Business (and must stop using them if we so direct you). The Software License Agreement (SLA) for Gotcha Linked is Attachment 4 to the Franchise Agreement.

There are currently no effective adverse determinations of the USPTO, the Copyright Office (Library of Congress), or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state. You must notify us immediately when you learn about an infringing or challenging use of our copyrighted materials. If you are in compliance with the Franchise Agreement, we will defend you against any claim brought against you by a third party that your use of our copyrighted materials in accordance with the Franchise Agreement infringes upon that party's intellectual property rights. We may require your assistance, but you are not permitted to control any proceeding or litigation relating to our copyrighted materials. We have no obligation to pursue any infringing users of our copyrighted materials. If we become aware of an infringing user, we will take the action we think appropriate, but we are not required to take any action if we do not feel it is warranted.

Our Brand Standards Manual and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). This information includes site selection criteria; training and operations materials; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating GC Businesses; marketing and marketing programs for GC Businesses; any computer software or similar technology that is proprietary to us or the System; knowledge of, specifications for, and suppliers of operating assets and other products and supplies; and knowledge of the operating results and financial performance of GC Businesses other than your GC Business.

You may not use our confidential information in an unauthorized manner. You must take reasonable steps to prevent its improper disclosure to others and use nondisclosure and non-competition agreements with those having access to such information. We may regulate the form of confidentiality agreement(s) that you use and must be included as a third-party beneficiary with independent enforcement rights in that agreement.

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

The GC Franchise shall be managed by you, or if you are an entity, one (1) shareholder, partner, or member who is a natural person designated in writing to us as the person to make all decisions for the franchisee entity ("Designated Owner"). We may allow you to appoint a manager ("Manager") to run the day-to-day operations of GC Franchise. You (or your Designated Owner, if you are an entity) and your Manager, if you have one), must successfully complete our training program which is discussed in Item 11. We do not require that a Manager have an ownership interest in the Franchisee. The Manager cannot have any interest in, or business relationship with, any business competitor of your Franchise. If you replace a Designated Owner or Manager, the new Designated Owner or Manager must satisfactorily complete our training program at your own expense.

Any Manager and, if you are an entity, an officer that does not own equity in the Franchisee entity must sign the System Protection Agreement, the form of which is attached to this Franchise Disclosure Document in Exhibit G. All of your employees, independent contractors, agents, or representatives that may have access to our confidential information must sign a Confidentiality Agreement (unless they already signed a System Protection Agreement), the current form of which is attached to this Franchise Disclosure Document in Exhibit G. If you are an entity, each direct and indirect owner (i.e., each person holding a direct or indirect ownership interest in you) must sign an Owners Agreement guarantying the obligations of the entity, the form of which is attached to the Franchise Agreement as Attachment 2.

## ITEM 16
## RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale only those products and services authorized by us and which meet our standards and specifications (See Item 8). You must follow our policies, procedures, methods, and techniques. You must sell or offer for sale all types of products and services specified by us. You must pass through to customers the manufacturer's product warranty and comply with the requirements of the warranty program, as set forth in the Brand Standards Manual. We may change or add to our required products and services at our discretion with prior notice to you (See Item 8). If we change or add to our required products and services, the changes or additions will remain in permanent effect, unless we specify otherwise. The amount you must pay for the changes or additions will depend upon the nature and type of changes or additions. There are no limitations on our rights to make changes to the required services and products offered by you. You must discontinue selling and offering for sale any products or services that we disapprove. We reserve the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions as allowed by law.

You may not sell products through other channels of distribution such as wholesale, internet, or mail order sales. You may not establish an account or participate in any social networking sites, crowdfunding campaigns or blogs or mention or discuss the GC Franchise, us, or our affiliates, without our prior written consent and as subject to the online policies contained in our Brand Standards Manual. Our online policy may completely prohibit you from any use of the Marks in social networking sites or other online use. You are prohibited from actively promoting your business outside your Area of Primary Responsibility. You may, however, sell your products and services to customers outside your Area of Primary Responsibility that you did not acquire by actively promoting to them.

## ITEM 17
## RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

### THE FRANCHISE RELATIONSHIP

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

| Provision | Section in Franchise Agreement or other Agreement | Summary |
|---|---|---|
| a. Length of the franchise term | Section 2.1 | Ten years. |
| b. Renewal or extension of the term | Section 2.2 | If you are in good standing and you meet other requirements, you may renew for an additional ten-year year term. |
| c. Requirements for franchisee to renew or extend | Section 2.2 | The term "renewal" refers to extending our franchise relationship at the end of your initial term or any extension of the initial term. Your successor franchise rights permit you to remain as a franchisee after the initial term of your Franchise Agreement expires. You must give advance written notice to us; not be in default of your Franchise Agreement; permit us to inspect the Franchise premises and records of the business; modify and improve the premises (if required by us); sign a release of claims (subject to state law); pay us the successor fee; and sign the then-current form of franchise agreement and any ancillary documents for the successor term, and this new franchise agreement may have materially different terms and conditions (including, e.g., higher royalty and marketing contributions) from the Franchise Agreement that covered your original term. |
| d. Termination by franchisee | Not Applicable | You are not given rights to terminate the Franchise Agreement. |
| e. Termination by franchisor without cause | Not Applicable | We may terminate the Franchise Agreement for any reason at any time before you commence the Initial Training Program and refund the Initial Franchise Fee, and all rights you have under the Franchise Agreement will automatically terminate. |
| f. Termination by franchisor with cause | | We can terminate upon certain violations of the Franchise Agreement by you. |
| g. "Cause" defined – curable defaults | Section 10.4 | You have 10 days to cure a monetary default and 30 days to cure a non-monetary default. |
| h. "Cause" defined - non-curable defaults | Sections 10.2, 10.3 | Non-curable defaults: the defaults listed in Section 10.2 and 10.3 of the Franchise Agreement. |
| i. Franchisee's obligations on termination/non-renewal | Sections 11, 6, 7 and 13 | Obligations include immediate cessation of operation of franchise, complete de-identification, return of proprietary materials, indemnify us, comply with restrictive covenants and confidentiality terms, and payment of amounts due (also, see Item "r," below). |
| j. Assignment of contract by franchisor | Section 9.1 | No restriction on our right to assign. |
| k. "Transfer" by franchisee – defined | Section 9.2 | Includes any voluntary, involuntary, direct, or indirect assignment, sale, gift, exchange, grant of a security interest, or change of ownership in the Franchise Agreement, the Franchise, or interest in the Franchise. |

| Provision | Section in Franchise Agreement or other Agreement | Summary |
|---|---|---|
| l. Franchisor approval of transfer by franchisee | Section 9.2 | All transfers must be approved by us, but we will not unreasonably withhold approval. |
| m. Conditions for franchisor approval of transfer | Section 9.2 | Prospective franchisee qualifies, must not be in default of franchise agreement and all amounts due are paid, transfer fee paid, transfer agreement approved, transferee signs a then-current form of franchise agreement, which may contain terms and conditions that are materially different from your original franchise agreement., training satisfactorily completed, release signed by you (subject to state law). |
| n. Franchisor's right of first refusal to acquire franchisee's business | Section 11.2 | We can purchase assets of your business at fair market value or can match any offer for your assets. |
| o. Franchisor's option to purchase franchisee's business | Not Applicable | Not applicable. |
| p. Death or disability of franchisee | Section 9.4 | Franchise must be assigned by estate to approved buyer within 90 days. |
| q. Non-competition covenants during the term of the franchise | Section 7.2.a | Neither you, your principal owners, nor any immediate family members of you or your principal owners may divert or attempt to divert business or customers of Franchisee, other GC Franchises, or us, have no owning interest in, loan money to, or perform services for a competitive business anywhere; you may not interfere with our or our other franchisees' GC Franchise(s), subject to state law. |
| r. Non-competition covenants after the franchise is terminated or expires | Section 7.2.b | You are restricted from having an interest in a similar business for two (2) years within: (i) a 25-mile radius from your GC Business (and including the premises of the GC Business); and (ii) a 25-mile radius from all other GC Businesses that are operating or under development or construction, subject to state law. |
| s. Modification of the agreement | Section 16 | No modifications of the Franchise Agreement during the term unless agreed to in writing, but the Brand Standards Manual is subject to change at any time in our discretion. Modifications are permitted on renewal. |
| t. Integration/merger clause | Section 16 | Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state, FTC, or federal law). Any representations or promises outside of this Franchise Disclosure Document and Franchise Agreement may not be enforceable. |

| Provision | Section in Franchise Agreement or other Agreement | Summary |
|---|---|---|
| u. Dispute resolution by arbitration or mediation | Section 19 | Except for certain claims, all disputes must be arbitrated in Utah County, Utah (or in the state or federal courts located nearest to Utah County, Utah). You must first mediate all disputes arising out of or related to the Franchise Agreement. The parties waive trial by jury of claims not subject to arbitration. Subject to state law. |
| v. Choice of forum | Section 18.2 | Litigation, arbitration, and mediation must be in Utah County, Utah (or in the state or federal courts located in the principal city closest thereto), subject to applicable state law. |
| w. Choice of law | Section 18.1 | Utah law applies, subject to applicable state law. However, any Promissory Note or Security Agreement will be governed by the laws of the state in which your GC Franchise is located. |

## ITEM 18
## PUBLIC FIGURES

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

## ITEM 19
## FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, and/or affiliate-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Franchise 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 performance at a particular location or under particular circumstances.

As of December 31, 2024, we had 172 GC Franchised Businesses operating in the United States, 7 GC Franchised Businesses operating in Canada, and no company-owned GC Franchised Businesses. The information in the tables below is a historical financial performance representation for the 134 GC Franchised Businesses that operate in the United States and had been in operation for at least one year as of December 31, 2025 ("Reporting Group") for the 2025 calendar year ("Reporting Period"). We excluded Canadian GC Franchised Businesses, which are not offered under this Franchise Disclosure Document. We also excluded GC Franchised Businesses that closed during the Reporting Period or that had not operated for a full twelve (12) months during the Reporting Period (excluding system-wide revenues by year), representing 19 locations. Additionally, we excluded those who did not confirm their reporting to us or whose reporting to us was incomplete, for the 2025 Reporting Period, representing 28 locations. Due to the variation among remaining franchisees as to their implementation and use of our sales software throughout the Reporting Period, certain data came from Reporting Groups comprising different

sizes, with a Reporting Group of 126 GC Franchisees for which data was reported relating to average sales, whereas a Reporting Group of 87 provided data as to profit margin and a Reporting Group of 134 provided data as to Closing Ratio. The Franchisees and Franchised Businesses in each of those Reporting Groups comprise those who have reported to us, in each Reporting Group, respectively, based on usage of our designated reporting functions. We have not excluded any data reported to us or any franchisees from any Reporting Group, apart from those who did not operate for at least one year as of December 31, 2025 or those Franchisees or Franchised Businesses whose operations are not in the United States other than the limitations based on what data was reported to us. But we could not include data from those whose data was not received, variably, in each respective Reporting Group. We have not audited these amounts, but have no reason to doubt the accuracy of the information.

**Existing Franchisees**

The following information includes historical financial performance representations from each Reporting Group during the Reporting Period. As a result, the characteristics of these GC Franchisees and GC Franchised Businesses may be different from those of a new franchisee's business. These financial performance representations disclose only average sales and key performance indicators and do not take into account the cost of services performed or franchisee expenses.

The data used in these tables was obtained from sales reports delivered to us by franchisees or franchised businesses, and from our administrative access to the required sales software used by franchisees.

In these tables the following definitions apply:

"Average Annual Sales": This is reported as the total Gross Sales of a GC Franchisee during the Reporting Period.

"Average Monthly Sales": This is reported as the Average Annual Sales of a GC Franchisee divided by twelve (months).

"Average Close Ratio": This is calculated by dividing the total number of closed sales from each GC Franchised Business by the total number of appointments by the same GC Franchised Businesses as reported by the Franchisees during the Reporting Period.

"Average Sale Amount": This is calculated by dividing the total amount of sales contracts from each GC Franchised Business by the total amount of gross sales from sales contracts by the same GC Franchised Businesses as reported by the Franchisees during the Reporting Period.

"Average Sale Margin": This is calculated by dividing each GC Franchised Business's total amount of gross cost from sales contracts by the total amount of gross sales from sales contracts by the same GC Franchised Businesses as reported by the Franchisees during the Reporting Period, and taking an average of each GC Franchised Business's percentage to determine the overall average for any given Reporting Group.

**Average Overall Sales Performance Data for Franchisees in the 2025 Reporting Period***
*Reporting Group: 125 out of 134 reporting Franchisees that operated during the entire 2025 calendar year who reported such data.

| | |
|---|---|
| Average Monthly Sales [A] | $48,506 |
| Average Annual Sales [B] | $580,224 |

A. Of the reporting franchisees, 40 or 32% of them attained or surpassed the stated results. The median result was $32,668, with a low of $7,530 and a high of $283,465.
B. Of the reporting franchisees, 40 or 32% of them attained or surpassed the stated results. The median result was $392,019, with a low of $90,361 and a high of $3,401,581.

These results are shown below, among franchise agreement years, as follows:

| Yearly | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Year** | **Average** | **Median** | **Min** | **Max** | **Locations** | **Exceeded Avg.** | **Percent that Exceeded Average** |
| **2024** | $ 232,273 | $ 164,682 | $ 90,361 | $ 759,987 | 15 | 5 | 33% |
| **2023** | $ 348,519 | $ 311,263 | $ 162,934 | $ 853,074 | 16 | 7 | 44% |
| **2022** | $ 419,257 | $ 372,467 | $ 177,852 | $ 665,944 | 14 | 6 | 43% |
| **2021** | $ 650,494 | $ 504,101 | $ 183,700 | $ 1,574,426 | 19 | 7 | 37% |
| **2020 & Before** | $ 766,756 | $ 512,962 | $ 109,985 | $ 3,401,581 | 59 | 20 | 34% |
| | | | | | | | |
| **Total** | $ 589,659 | $ 395,105 | $ 90,361 | $ 3,401,581 | 123 | 40 | 33% |

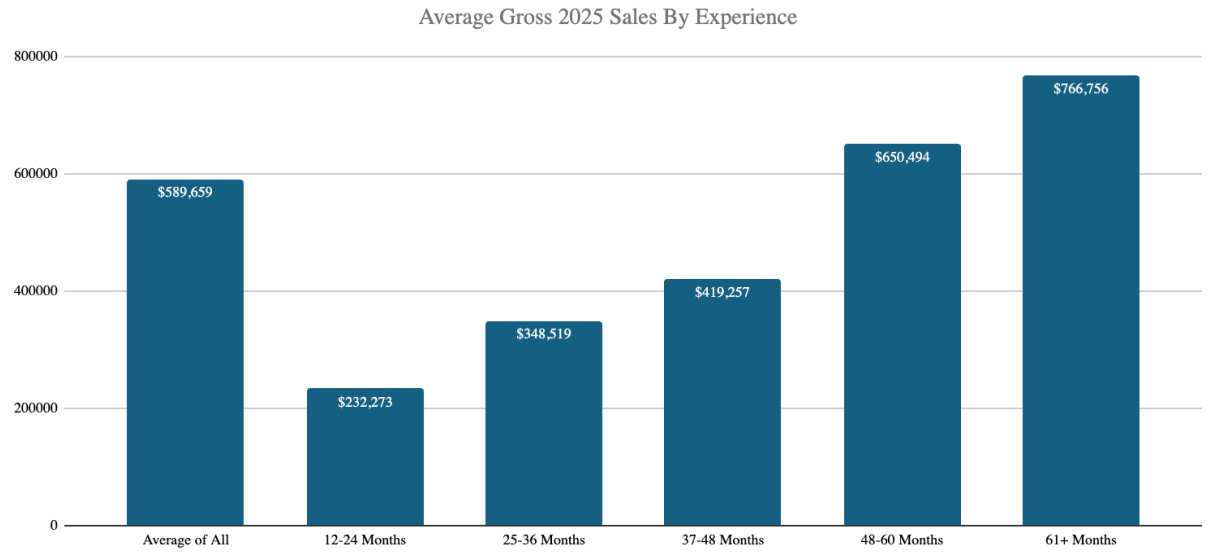
| Monthly | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Month** | **Average** | **Median** | **Min** | **Max** | **Locations** | **Exceeded Avg.** | **Percent that Exceeded Average** |
| **2024** | $ 19,356 | $ 13,724 | $ 7,530 | $ 63,332 | 15 | 5 | 33% |
| **2023** | $ 29,043 | $ 25,939 | $ 13,578 | $ 71,090 | 16 | 7 | 44% |
| **2022** | $ 34,938 | $ 31,039 | $ 14,821 | $ 55,495 | 14 | 6 | 43% |
| **2021** | $ 52,079 | $ 42,008 | $ 15,308 | $ 131,202 | 19 | 7 | 37% |
| **2020 & Before** | $ 64,190 | $ 42,747 | $ 9,165 | $ 283,465 | 59 | 20 | 34% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Total** | $ 48,950 | $ 32,925 | $ 7,530 | $ 283,465 | 123 | 40 | 33% |

Average 2025 Sales, By Year of Opening

| Vintage | Time open | Average of Vintage |
|---|---|---|
| | Average of All | $589,659 |
| 2024 | 12-24 Months | $232,273 |
| 2023 | 25-36 Months | $348,519 |
| 2022 | 37-48 Months | $419,257 |
| 2021 | 48-60 Months | $650,494 |
| 2020 & Before | 61+ Months | $766,756 |

The following chart illustrates the Average Annual Sales in these previous tables, reporting gross sales by length of experience as franchisee.




## Average Close Ratio Performance Data for Franchised Businesses in the 2025 Reporting Period

| | Average | Median | High | Low | Total locations | # of locations beat average | % that beat average |
|---|---|---|---|---|---|---|---|
| **Average Overall Close Ratio** | 51.32% | 51.16% | 100.00% | 0.00% | 134 | 66 | 49% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **12-24 Months Operating Average Close Ratio** | 50.55% | 50.00% | 73.85% | 8.33% | 27 | 10 | 37% |
| **25-36 Months Operating Average Close Ratio** | 53.27% | 51.95% | 63.92% | 30.77% | 9 | 4 | 44% |
| **37+ Months Operating Average Close Ratio** | 51.34% | 51.80% | 100.00% | 0.00% | 98 | 51 | 52% |

**Average Sale Amount Performance Data for Franchised Businesses in the 2025 Reporting Period**

| | Average | Median | High | Low | Total locations | # of locations beat average | % that beat average |
|---|---|---|---|---|---|---|---|
| **Average Overall Sale Amount** | $ 4,529 | $ 4,293 | $ 14,761 | $ 1,765 | 126 | 53 | 42% |
| **12-24 Months Operating Average Sale Amount** | $ 5,124 | $ 4,312 | $ 8,356 | $ 1,950 | 27 | 10 | 37% |
| **25-36 Months Operating Average Sale Amount** | $ 4,231 | $ 4,736 | $ 5,418 | $ 3,176 | 9 | 6 | 67% |
| **37+ Months Operating Average Sale Amount** | $ 4,463 | $ 4,171 | $ 14,761 | $ 1,765 | 90 | 35 | 39% |

**Average Sale Margin Performance Data for Franchised Businesses in the 2025 Reporting Period**

| | Average | Median | High | Low | Total locations | # of locations beat average | % that beat average |
|---|---|---|---|---|---|---|---|
| **Average Overall Sale Margin** | 60.81% | 55.64% | 93.04% | 4.78% | 87 | 29 | 33% |
| **12-24 Months Operating Average Sale Margin** | 58.00% | 57.42% | 93.04% | 26.59% | 23 | 9 | 39% |
| **25-36 Months Operating Average Sale Margin** | 63.02% | 52.17% | 78.35% | 47.36% | 9 | 4 | 44% |
| **37+ Months Operating Average Sale Margin** | 61.52% | 55.61% | 78.35% | 4.78% | 63 | 19 | 30% |

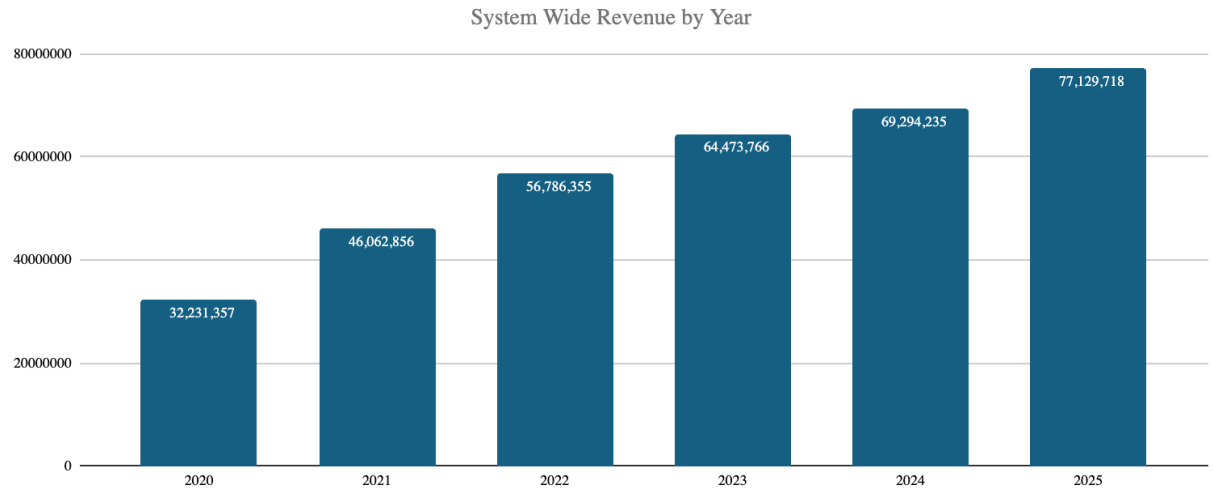
The reporting franchisees include all outlets reporting at least one year of historical revenue and performance data at the time of preparation of this disclosure document. All franchisees were requested to provide information. Some outlets have earned this amount. Your individual results may vary. There is no assurance that you will earn as much.

## System-Wide Revenues

The following table and chart reflect system-wide revenues for the years outlined and includes all reporting franchisees, without excluding any who terminated operations or who were in the early stages of their operations.

For this table and chart, System-Wide Revenues means the sum of each Franchise Territory's Gross Revenues during the calendar year listed.

| System Wide Revenue by Year | |
|---|---|
| 2016 | 18,299,446 |
| 2017 | 21,370,869 |
| 2018 | 20,287,870 |
| 2019 | 25,022,274 |
| 2020 | 32,231,357 |
| 2021 | 46,062,856 |
| 2022 | 56,786,355 |
| 2023 | 64,473,766 |
| 2024 | 69,294,235 |
| 2025 | 77,129,718 |



Written substantiation for this financial performance representation is available to you upon reasonable written request.

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

Other than the preceding financial performance representation, Gotcha Covered Franchising, LLC does not make any financial performance representations. 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 Chad Jones at 761 W. 1200 S., Ste 200, Springville UT 84663, 801-551-5415, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20
## OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet Summary
For Years 2023-2025

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the end of the Year | Net Changes |
|---|---|---|---|---|
| Franchised | **2023** | 153 | 163 | +10 |
| | **2024** | 163 | 169 | +6 |

| | | | | |
|---|---|---|---|---|
| | **2025** | 169 | 172 | +3 |
| Company Owned | | | | |
| | **2023** | 0 | 0 | 0 |
| | **2024** | 0 | 0 | 0 |
| | **2025** | 0 | 0 | 0 |
| **Total Outlets** | | | | |
| | **2023** | 153 | 163 | +10 |
| | **2024** | 163 | 169 | +6 |
| | **2025** | 169 | 172 | +3 |

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2023-2025

| State | Year | Number of Transfers |
|---|---|---|
| CO | 2023 | 1 |
| | 2024 | 2 |
| | 2025 | 0 |
| FL | 2023 | 1 |
| | 2024 | 1 |
| | 2025 | 0 |
| SC | 2023 | 0 |
| | 2024 | 0 |
| | 2025 | 1 |
| TN | 2023 | 0 |
| | 2024 | 0 |
| | 2025 | 1 |
| TX | 2023 | 0 |
| | 2024 | 0 |
| | 2025 | 0 |
| OK | 2023 | 1 |
| | 2024 | 0 |
| | 2025 | 0 |
| MT | 2023 | 1 |
| | 2024 | 0 |
| | 2025 | 0 |
| Total | 2023 | 4 |
| | 2024 | 3 |
| | 2025 | 2 |

Table No. 3

Status of Franchised Outlets
For Years 2023-2025

| State | Year | Franchises at the Start of the Year | Franchises Opened | Terminations | Non-renewals | Reacquired by Franchisor | Ceased Operation - other reasons | End of the Year |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| AL | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2025 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | | | | | | | | |
| AZ | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 2 | 0 | 0 | 0 | 0 | 5 |
| | 2025 | 5 | 1 | 0 | 0 | 0 | 0 | 6 |
| AR | | | | | | | | |
| | 2023 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| CA | | | | | | | | |
| | 2023 | 3 | 2 | 1 | 0 | 0 | 0 | 4 |
| | 2024 | 4 | 1 | 2 | 0 | 0 | 0 | 3 |
| | 2025 | 3 | 3 | 2 | 0 | 0 | 0 | 4 |
| | | | | | | | | |
| CO | 2023 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| | 2024 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| | 2025 | 7 | 2 | 0 | 0 | 0 | 0 | 9 |
| CT | | | | | | | | |
| | 2023 | 2 | 1 | 1 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2025 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| FL | | | | | | | | |
| | 2023 | 29 | 7 | 6 | 0 | 0 | 0 | 30 |
| | 2024 | 30 | 8 | 4 | 0 | 0 | 0 | 34 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 34 | 2 | 3 | 0 | 0 | 0 | 33 |
| GA | | | | | | | | |
| | 2023 | 6 | 1 | 0 | 0 | 0 | 0 | 7 |
| | 2024 | 7 | 0 | 3 | 0 | 0 | 0 | 4 |
| | 2025 | 4 | 3 | 2 | 0 | 0 | 0 | 5 |
| ID | | | | | | | | |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| IL | | | | | | | | |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 0 | 2 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 3 | 0 | 0 | 0 | 0 | 4 |
| IN | | | | | | | | |
| | 2023 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 3 | 0 | 0 | 0 | 0 | 3 |
| | 2025 | 3 | 1 | 2 | 0 | 0 | 0 | 2 |
| IA | | | | | | | | |
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 1 | 0 | 1 | 0 | 0 | 1 |
| KS | | | | | | | | |
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| KY | | | | | | | | |
| | 2023 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| LA | | | | | | | | |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 0 | 1 | 0 | 0 | 0 | 2 |
| | 2025 | 2 | 0 | 1 | 0 | 0 | 0 | 1 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **MD** | | | | | | | | |
| | **2023** | **2** | **0** | **0** | **0** | **0** | **0** | **2** |
| | **2024** | **2** | **0** | **0** | **0** | **0** | **0** | **2** |
| | **2025** | **2** | **1** | **0** | **0** | **0** | **0** | **3** |
| **MA** | | | | | | | | |
| | **2023** | **1** | **0** | **0** | **0** | **0** | **0** | **1** |
| | **2024** | **1** | **0** | **0** | **0** | **0** | **0** | **1** |
| | **2025** | **1** | **0** | **0** | **0** | **0** | **0** | **1** |
| **MI** | | | | | | | | |
| | **2023** | **1** | **1** | **0** | **0** | **0** | **0** | **2** |
| | **2024** | **2** | **0** | **0** | **0** | **0** | **0** | **2** |
| | **2025** | **2** | **2** | **1** | **0** | **0** | **0** | **3** |
| **MN** | | | | | | | | |
| | **2023** | **5** | **0** | **0** | **0** | **0** | **0** | **5** |
| | **2024** | **5** | **1** | **0** | **0** | **0** | **0** | **6** |
| | **2025** | **6** | **0** | **1** | **0** | **0** | **0** | **5** |
| **MO** | | | | | | | | |
| | **2023** | **0** | **1** | **0** | **0** | **0** | **0** | **1** |
| | **2024** | **1** | **1** | **0** | **0** | **0** | **0** | **2** |
| | **2025** | **2** | **0** | **1** | **0** | **0** | **0** | **1** |
| **MT** | | | | | | | | |
| | **2023** | **1** | **0** | **0** | **0** | **0** | **0** | **1** |
| | **2024** | **1** | **0** | **0** | **0** | **0** | **0** | **1** |
| | **2025** | **1** | **0** | **0** | **0** | **0** | **0** | **1** |
| **NE** | | | | | | | | |
| | **2023** | **2** | **0** | **0** | **0** | **0** | **0** | **2** |
| | **2024** | **2** | **0** | **1** | **0** | **0** | **0** | **1** |
| | **2025** | **1** | **0** | **0** | **0** | **0** | **0** | **1** |
| | | | | | | | | |
| **NV** | **2023** | **1** | **0** | **0** | **0** | **0** | **0** | **1** |
| | **2024** | **1** | **0** | **0** | **0** | **0** | **0** | **1** |
| | **2025** | **1** | **0** | **0** | **0** | **0** | **0** | **1** |
| | | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **NJ** | **2023** | **2** | **0** | **0** | **0** | **0** | **0** | **2** |
| | **2024** | **2** | **1** | **0** | **0** | **0** | **0** | **3** |
| | **2025** | **3** | **0** | **1** | **0** | **0** | **0** | **2** |
| **NY** | | | | | | | | |
| | **2023** | **1** | **3** | **0** | **0** | **0** | **0** | **4** |
| | **2024** | **4** | **0** | **0** | **0** | **0** | **0** | **4** |
| | **2025** | **4** | **1** | **0** | **0** | **0** | **0** | **5** |
| **NM** | | | | | | | | |
| | **2023** | **2** | **1** | **1** | **0** | **0** | **0** | **2** |
| | **2024** | **2** | **0** | **2** | **0** | **0** | **0** | **0** |
| | **2025** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **NC** | | | | | | | | |
| | **2023** | **6** | **1** | **2** | **0** | **0** | **0** | **5** |
| | **2024** | **6** | **1** | **2** | **0** | **0** | **0** | **5** |
| | **2025** | **5** | **1** | **0** | **0** | **0** | **0** | **6** |
| **OH** | | | | | | | | |
| | | | | | | | | |
| | **2023** | **3** | **0** | **0** | **0** | **0** | **0** | **3** |
| | **2024** | **3** | **3** | **0** | **0** | **0** | **0** | **6** |
| | **2025** | **6** | **0** | **0** | **0** | **0** | **0** | **6** |
| **OK** | | | | | | | | |
| | **2023** | **1** | **0** | **0** | **0** | **0** | **0** | **1** |
| | **2024** | **1** | **1** | **0** | **0** | **0** | **0** | **2** |
| | **2025** | **2** | **0** | **0** | **0** | **0** | **0** | **2** |
| **OR** | | | | | | | | |
| | **2023** | **1** | **0** | **0** | **0** | **0** | **0** | **1** |
| | **2024** | **1** | **0** | **0** | **0** | **0** | **0** | **1** |
| | **2025** | **1** | **0** | **0** | **1** | **0** | **0** | **0** |
| **PA** | | | | | | | | |
| | **2023** | **4** | **1** | **0** | **0** | **0** | **0** | **5** |
| | **2024** | **5** | **0** | **0** | **0** | **0** | **0** | **5** |
| | **2025** | **5** | **0** | **1** | **0** | **0** | **0** | **4** |
| **RI** | | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| SC | | | | | | | | |
| | 2023 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2024 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2025 | 5 | 0 | 1 | 0 | 0 | 0 | 4 |
| SD | | | | | | | | |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2025 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| TN | | | | | | | | |
| | 2023 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2024 | 5 | 0 | 1 | 0 | 0 | 0 | 4 |
| | 2025 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| TX | | | | | | | | |
| | 2023 | 22 | 5 | 2 | 0 | 0 | 0 | 25 |
| | 2024 | 25 | 3 | 2 | 0 | 1 | 0 | 25 |
| | 2025 | 25 | 0 | 1 | 0 | 0 | 0 | 24 |
| UT | | | | | | | | |
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| VA | | | | | | | | |
| | 2023 | 8 | 1 | 1 | 0 | 0 | 0 | 8 |
| | 2024 | 8 | 0 | 1 | 0 | 0 | 0 | 7 |
| | 2025 | 7 | 1 | 0 | 0 | 0 | 0 | 8 |
| WA | | | | | | | | |
| | 2023 | 3 | 0 | 1 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2025 | 2 | 2 | 0 | 0 | 0 | 0 | 4 |
| WI | | | | | | | | |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |
| | 2025 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| UNITED STATES TOTALS | | | | | | | | |
| | 2023 | 143 | 27 | 16 | 0 | 0 | 1 | 153 |
| | 2024 | 153 | 27 | 21 | 0 | 0 | 0 | 159 |
| | 2025 | 159 | 24 | 18 | 2 | 0 | 0 | 163 |
| CANADA | | | | | | | | |
| | 2023 | 10 | 2 | 1 | 1 | 0 | 0 | 10 |
| | 2024 | 10 | 2 | 2 | 0 | 0 | 0 | 10 |
| | 2025 | 10 | 0 | 0 | 1 | 0 | 0 | 9 |
| Totals | | | | | | | | |
| | 2023 | 153 | 29 | 17 | 1 | 0 | 1 | 163 |
| | 2024 | 163 | 29 | 23 | 0 | 0 | 0 | 169 |
| | 2025 | 169 | 24 | 18 | 3 | 0 | 0 | 172 |

Table No. 4

Status of Company-Owned Outlets
For Years 2023-2025

| State | Year | Outlets at Start of Year | Outlets Opened | Outlets Reacquired from Franchisees | Outlets Closed | Reacquired by Franchisor | Outlets Sold to Franchisees | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 2025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table No. 5

Projected Openings as of
December 31, 2025 for 2026

| State | Franchise Agreements Signed but not Opened | Projected new Franchise Outlets in the Next Fiscal Year | Projected New Company-Owned Outlets in the Current Fiscal Year |
|---|---|---|---|
| MN | 1 | 0 | 0 |
| OH | 1 | 0 | 0 |
| WA | 1 | 0 | 0 |
| TOTALS | 3 | 0 | 0 |

The names, addresses, and telephone numbers of all franchisees as of December 31, 2025 are listed in Exhibit E to this Franchise Disclosure Document. The name and last known address and telephone number of every franchisee that has had a Franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during the most recently completed fiscal year, or who has not communicated with us within ten (10) weeks of the Issuance Date of this Franchise Disclosure Document, is listed on Exhibit E to this Franchise Disclosure Document. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experiences with the GC Franchise System. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System. During the last three (3) fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the GC Franchise System.

As of the Issuance Date of this Franchise Disclosure Document, there are no franchise organizations sponsored or endorsed by us, and no independent franchisee organizations have asked to be included in the Franchise Disclosure Document. We do not have any trademark specific franchisee organizations.

## ITEM 21
## FINANCIAL STATEMENTS

Exhibit C contains the financial statements required to be included with this Franchise Disclosure Document: our audited financial statements as of December 31, 2023 and our parent's audited financial statements as of December 31, 2024 and December 31, 2025. Our parent has guaranteed our performance under your franchise agreement. Our fiscal year end is December 31st.

## ITEM 22
## CONTRACTS

The following exhibits contain proposed agreements regarding the Franchise:

| | |
|---|---|
| Exhibit B | Franchise Agreement |
| Exhibit F | State Addenda and Agreement Riders |
| Exhibit G | Contracts for use with the Gotcha Covered Franchise |

## ITEM 23
## RECEIPTS

The last pages of this Franchise Disclosure Document, Exhibit J, are a detachable document, in duplicate. Please detach, sign, date, and return one (1) copy of the Receipt to us, acknowledging that you received this Franchise Disclosure Document. Please keep the second copy for your records.

# EXHIBIT A

## STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

# STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

## CALIFORNIA

State Administrator and Agent for Service of Process:

Commissioner
Department of Financial Protection and Innovation
320 W. 4th Street, #750
Los Angeles, CA 90013
(213) 576-7500
(866) 275-2677

## HAWAII

Commissioner of Securities of the State of Hawaii
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Agent for Service of Process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

## ILLINOIS

Illinois Attorney General
Chief, Franchise Division
500 S. Second Street
Springfield, IL 62706
(217) 782-4465

## INDIANA

Secretary of State
Securities Division
Room E-018
302 W. Washington Street
Indianapolis, IN 46204
(317) 232-6681

## MARYLAND

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(410) 576-6360

Agent for Service of Process:

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2020

## MICHIGAN

Michigan Department of Attorney General
Consumer Protection Division
525 W. Ottawa Street
Lansing, MI 48913
(517) 373-7117

## MINNESOTA

Department of Commerce
Commissioner of Commerce
85 Seventh Place East, Suite 280
St. Paul, MN 55101-3165
(651) 539-1600

## NEW YORK

Administrator:

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8285

Agent for Service of Process:

Secretary of State
99 Washington Avenue
Albany, NY 12231

## NORTH DAKOTA

North Dakota Securities Department
State Capitol, Fifth Floor, Dept. 414
600 E. Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-4712

## RHODE ISLAND

Department of Business Regulation
1511 Pontiac Avenue, Bldg. 68-2
Cranston, RI 02920
(401) 462-9527

## SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

## VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, VA 23219

Agent for Service of Process:

Clerk of the State Corporation Commission
1300 E. Main Street, 1st Floor
Richmond, VA 23219

## WASHINGTON

State Administrator:

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507
(360) 902-8760

Agent for Service for Process:

Director of Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501

## WISCONSIN

Department of Financial Institutions
Division of Securities
201 W. Washington Avenue
Madison, WI 53703
(608) 266-3364

Rev. 102720

# EXHIBIT B

# FRANCHISE AGREEMENT

# GOTCHA COVERED FRANCHISING, LLC

# FRANCHISE AGREEMENT

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ATTACHMENTS:

Attachment 1 – Franchise Data Sheet
Attachment 2 – Owners Agreement
Attachment 3 – Statement of Ownership
Attachment 4 – Software License Agreement
Attachment 5 - Conditional Assignment

**GOTCHA COVERED FRANCHISING, LLC**
**FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT ("**Franchise Agreement**") is made and entered into on the "**Effective Date**" which is identified in Attachment 1 of this Franchise Agreement, by and between GOTCHA COVERED FRANCHISING, LLC, a Colorado limited liability company, at 303 E. Broadway, Suite 200-153, Denver, Colorado 80209 ("**GCF**") and the "**Franchise Owner**" identified in Attachment 1 of this Franchise Agreement ("**Franchisee**"). If more than one person or entity is listed as the Franchisee, each such person or entity shall be jointly and severally liable for all rights, duties, restrictions and obligations under this Franchise Agreement.

## RECITALS

1. GCF is offering franchises for the operation of a business that sells and installs custom window treatments ("**GC Business**").

2. GC Businesses are operated under a business format utilizing a unique system with high standards of service, including valuable know-how, information, trade secrets, confidential information, training methods, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, and research and development ("**System**").

C. GCF and its affiliates use, promote, and license certain trademarks, service marks, and other commercial symbols to be used in connection with the operation of GC Businesses, and GCF may create, use, and license other trademarks, service marks, and commercial symbols ("**Proprietary Marks**") for the same use.

D. Franchisee understands and acknowledges the importance of GCF's high and uniform standards of quality and service and the necessity of operating the business franchised in conformity with GCF's standards and specifications.

# AGREEMENT

## 1. APPOINTMENT

**1.1 Grant of Franchise.** GCF grants to Franchisee, under the terms and conditions of this Franchise Agreement, the right to operate a Gotcha Covered franchise ("**Franchise**") within Franchisee's "Area of Primary Responsibility" (as defined below), and to use the System, as it may be changed, improved, and developed from time to time.

**1.2 Description of Franchise and System.** The Franchise consists of the integration of several unique components only available to qualified persons and which together constitute the System. Under the Franchise, Franchisee is granted the right to engage in the retail sale and installation of custom window treatments using proprietary software. GCF has the right to require Franchisee to implement new systems and software at Franchisee's expense. GCF may in the future expand the System to include other home and business furnishings, but is not obligated to do so.

**1.3 Area of Primary Responsibility.**

a. Designation of Initial Area of Primary Responsibility. Franchisee's designated area of primary responsibility ("**Area of Primary Responsibility**") shall be designated by ZIP code(s) or other criteria as determined solely by GCF. The criteria used for determining the boundaries of the Area of Primary Responsibility may include: the size of the population base; the number of households; the density of the population base; the growth and development trends of the population base; the affluence of the population base; and/or major and restricting topographical features which define a contiguous area, such as rivers, mountains, major freeways, and underdeveloped land areas. Because of these considerations, Areas of Primary Responsibility may vary in size. Franchisee's Area of Primary Responsibility granted by GCF under the terms of this Franchise Agreement includes a minimum of 30,000 households. The population statistics used in determining Franchisee's Area of Primary Responsibility will be based on numbers derived from the current U.S. Census report and supplemented with other information available to GFC and other population statistical sources of GFC's choosing to determine populations. Franchisee's Area of Primary Responsibility is described in Attachment 1 of this Franchise Agreement and is incorporated by reference. If Franchisee's Area of Primary Responsibility is designated by ZIP code(s) and the U.S. Postal Service changes the ZIP code(s) by altering the border(s) or adding, deleting, or splitting the ZIP code(s), GCF will alter Franchisee's Area of Primary Responsibility, in GCF's sole determination, with a view toward maintaining the population as close to the original size(s) as reasonably possible in the Areas of Primary Responsibility of all of the franchisees impacted by the change. If Franchisee does not fully comply with this Franchise Agreement, GCF may grant others or itself the right to engage in Actively Promoting (see Section 1.3.c below) in the Area of Primary Responsibility similar products under the same Proprietary Marks as Franchisee sells; or GCF may establish company-owned businesses or grant others the right to operate businesses in the Area of Primary Responsibility that sell similar goods as Franchisee under the Proprietary Marks.

b. Size of Franchisee's Area of Primary Responsibility. Franchisee acknowledges that at the time of execution of this Franchise Agreement, and under its own independent

investigation, Franchisee agrees and accepts the territory designated as its Area of Primary Responsibility.

c. Active Promotion. The Area of Primary Responsibility is assigned as an exclusive active promotion area, including lead development. Franchisee's sales are not limited to its Area of Primary Responsibility (subject to applicable laws). However, Franchisee is strictly prohibited from Actively Promoting its GC Business outside of its Area of Primary Responsibility without the written permission of GCF. "**Actively Promoting**" means all forms of marketing and promotion for new customers that can reasonably be restricted to a ZIP code, including, but not limited to, direct mailings, door leaflets, telephone solicitation, local newspapers, and localized signs. Among the purposes of this restriction are: (a) to ensure that Franchisee will promote the GC Business within its Area of Primary Responsibility; and (b) to prevent confusion in the marketplace among GCF franchisees soliciting the same customers and marketing in the same markets. GCF and other franchisees of GCF are subject to restrictions on Actively Promoting their businesses in Franchisee's Area of Primary Responsibility. However, except as expressly provided in this provision, Franchisee does not receive an exclusive or protected territory. Either GCF or another franchisee of GCF may engage in all other types of marketing, promotion, and sales activity in Franchisee's Area of Primary Responsibility. Except for sales methods designated by GCF, Franchisee may not sell GC Business products and services through any alternative channel of distribution, including the Internet, catalog sales, telemarketing, or other direct marketing.

d. Option to Purchase Additional Territory. Provided Franchisee is not in default under this Franchise Agreement, Franchisee shall have an option to purchase one or more additional Areas of Primary Responsibility ("**Additional Areas**") at GCF's then-current rate, subject to the terms in effect at the time of Franchisee's election to do so, and subject to the approval of GCF and the availability of Additional Areas. Additional Areas may have more or less than 30,000 households. The fee for each Additional Area is based on the number of households in the Additional Area. Under this provision, Franchisee does not receive any rights other than the right to Actively Promote its Franchise in the Additional Area. The parties will execute an addendum to the Franchise Agreement for each Additional Area, in the form of addendum in the GCF Franchise Disclosure Document provided by GCF to Franchisee.

e. Non-Exclusivity. Franchisee acknowledges that the Franchise granted hereunder is non-exclusive and GCF and its affiliates retain the exclusive right, among others, without payment to Franchisee:

A to own, franchise, or operate GC Businesses at any location outside of the Area of Primary Responsibility, regardless of the proximity to your GC Business;

B to use the Proprietary Marks and the System to sell any products or services, similar to those which Franchisee will sell, through any alternate channels of distribution within or outside of the Area of Primary Responsibility, including, but is not limited to, other channels of distribution such as television, mail order, catalog sales, wholesale to unrelated retail outlets, or over the Internet; GCF exclusively reserves the Internet as a channel of distribution, and Franchisee may not independently market on the Internet or conduct e-commerce;

C to use and license the use of other proprietary and non-proprietary marks or methods which are not the same as or confusingly similar to the Proprietary Marks, whether in alternative channels of distribution or in the operation of a business offering window treatment sales and installation services and related products and services, at any location, including within the Area of Primary Responsibility, which may be similar to or different from the GC Business operated by Franchisee;

D to engage in any transaction, including to purchase or be purchased by, merge or combine with, to convert to the System or be converted into a new system with any business whether franchised or corporately owned, including a business that competes directly with Franchisee's GC Business, whether located inside or outside the Area of Primary Responsibility, provided that any businesses located inside of your Area of Primary Responsibility will not operate under the Proprietary Marks;

E to use and license the use of technology to non-franchisee locations inside and outside the Area of Primary Responsibility; and

F to implement multi-area marketing programs which may allow GCF or others to solicit or sell to customers anywhere. GCF has the right to issue mandatory policies to coordinate such multi-area marketing programs.

## 2. TERM AND RENEWAL

**2.1 Initial Term.** The term of this Franchise Agreement shall begin on the Effective Date and shall expire ten (10) years thereafter, unless terminated before expiration under the terms and conditions of the Franchise Agreement.

**2.2 Renewals.** Franchisee may renew the Franchise, subject to the terms and conditions below, for an additional, consecutive period of ten (10) years ("**Renewal**"). Upon any Renewal, Franchisee shall execute GCF's then-current form of franchise agreement for the ten (10) year Renewal term ("**Successor Agreement**"), which shall supersede the franchise agreement in effect just prior to a Renewal ("**Previous Agreement**") and Franchisee shall comply with any additional requirements set forth. If you are signing this franchise agreement as a Successor Agreement, the references to "Term" shall mean the applicable renewal term of the Successor Agreement. The terms and conditions of the Successor Agreement may materially differ from the terms and conditions of the Previous Agreement and may include, without limitation, higher fees (including, for example, higher Royalty Fees and Marketing Fund Fees).

a. Eligibility. To be eligible for any Renewal, Franchisee shall:

i. Not be in default under the Previous Agreement or any other agreement between Franchisee and GCF.

ii. Not have an outstanding amounts owed to GCF or its affiliates, including any amounts owed a promissory note.

b. Renewal. To exercise a Renewal, Franchisee must:

i. Give GCF written notice of such election to renew not less than six (6) months or more than 12 months prior to the expiration of the then-current term of the Previous Agreement.

ii. Pay GCF a successor franchise fee equal to ten percent (10%) of GCF's then-current initial franchise fee for new GC Businesses at the time Franchisee enters into the Successor Agreement, or if GCF is not offering Franchises at the time of Franchisee's renewal, the successor franchise fee will be equal to 10% of the initial franchise fee listed in GCF's most recent Franchise Disclosure Document.

iii. Permit GCF to inspect Franchisee's business and records at least five (5) months prior to the expiration of the then-current term of the Previous Agreement, and GCF may require, as a condition precedent to approving any Renewal, that Franchisee complete, no later than six (6) days prior to expiration of the Previous Agreement, such modification and improvement of the Franchise as GCF requires.

iv. Except where prohibited by law, execute and deliver to GCF, no later than 15 days prior to the effective date of any term of Renewal, a general release in form satisfactory to GCF that releases any and all claims against GCF arising prior to such Renewal date.

**2.3 Interim Term**. If Franchisee does not sign a Successor Agreement after the expiration of the term and Franchisee continues to accept the benefits of this Franchise Agreement, then at GCF's option, this Franchise Agreement may be treated either as: (i) expired as of the date of the expiration with Franchisee then operating without a GC Franchise to do so and in violation of GCF's rights; or (ii) continued on a month-to-month basis ("**Interim Term**") until either party provides the other party with 30 days' prior written notice of the party's intention to terminate the Interim Term. In the latter case, all of Franchisee's obligations will remain in full force and effect during the Interim Term as if this Franchise Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon the expiration or termination of this Franchise Agreement will be deemed to take effect upon the termination of the Interim Term. Except as otherwise permitted by this Section 2.3, you have no right to continue to operate your GC Business following the expiration of the term of this Franchise Agreement.

## 3. GCF'S OBLIGATIONS

**3.1 Training and General Assistance.** The ultimate form, content, and extent of the training, programs, and other general assistance provided by GCF shall be determined by GCF, but shall include:

a. Brand Standards Manual. Beginning when Franchisee commences its mandatory Initial Training Program (as defined below), GCF will give Franchisee access to GCF'sPolicy and Procedure Manual and any other brand standards manuals that may be provided by GCF (collectively referred to as the "**Brand Standards Manual**") during the term of this Franchise

Agreement, and provide sales and training aids to Franchisee as deemed advisable by GCF from time to time. GCF shall provide, from time to time, updated information and revisions to the Brand Standards Manual as new and improved methods, Systems, standards and procedures are adopted. The Manuals are incorporated into this Franchise Agreement by this reference. Manuals and sales and training aids may be provided to Franchisee in electronic form.

b. Mandatory Initial Training Program.

Within 90 days of the execution of this Franchise Agreement by the Franchisee, GCF will provide the mandatory Initial Training Program at no charge for up to two (2) individuals, which must include the Franchisee (or if the Franchisee is an entity, its Designated Owner) and the Franchisee's Manager (if applicable), provided they attend the initial training at the same time. The Initial Training Program will consist of virtual, eLearning, webinars, and in-person sessions, with the in-person portion being held at GCF's headquarters or another designated location.

GCF shall pay for up to five (5) nights of lodging for one room during the in-person portion of the training. Franchisee shall be responsible for all other expenses (including airfare, ground transportation, and meals) for individuals attending the Initial Training Program. If additional individuals (more than two (2)) attend the Initial Training Program, Franchisee must pay GCF the then-current fee for each additional person attending the training (see the "Fees" section below for the applicable training fees).

Upon successful completion of the Initial Training Program, as determined at GCF's sole discretion, the individuals attending the training will be considered "Certified." GCF reserves the right to establish additional mandatory training as part of the ongoing continuous learning program, as outlined below.

Each person attending the Initial Training Program who has not signed this Franchise Agreement in his or her individual capacity must execute a confidentiality and non-competition agreement in a form supplied by GCF before attending any training.

c. Ongoing Continuous Learning.

After the completion of the Initial Training Program and once the Franchisee's Gotcha Covered Business is open, the Franchisee (or Franchisee's Manager) is required to participate in ongoing continuous learning. This training will be provided through a combination of virtual learning, vendor-led onsite sessions, webinars, eLearning modules, and other resources to support ongoing development and business growth. Continuous learning will be available regularly, with a recommended completion timeline within six months of the business opening.

The ongoing learning sessions will be offered at various locations, including virtual options, and attendance may be required for certain topics to maintain ongoing certification. Franchisee shall be responsible for any associated costs of the continuous learning, including travel, lodging, and any applicable fees for additional individuals attending training (if allowed). GCF reserves the right to modify or add additional ongoing learning requirements based on business needs and

franchise development. GCF will continue to provide resources to help Franchisees build and maintain a successful business through continuous learning opportunities in various formats.

d. Available Optional Training. GCF may, but is not obligated to, provide to Franchisee continuing training. Continuing training may provide Franchisee with education related to software modifications, product knowledge, home decor design, sales and marketing, and business management. For continuing training, Franchisee will be charged GCF's then-current fee to cover the costs of the trainer, instruction materials and manuals, training room, and on-site meals and/or refreshments to be determined by GCF. Franchisee shall pay for all expenses (including travel, lodging and meals) incurred in attending training. This training shall be conducted by experienced, qualified instructors chosen by GCF.

e. Mandatory Meetings and Additional Mandatory Training. GCF may, but is not required to, conduct mandatory meetings and/or additional mandatory training programs of franchisees. Only one (1) meeting/training program per year will be scheduled by GCF. Franchisee will be required to attend and Franchisee will pay any tuition fee to GCF. Franchisee shall be responsible for all expenses (including travel, lodging and meals) incurred in attending the meeting/training program. Franchisee will be required to pay an annual meeting fee due within 30 days of notice of an annual meeting by GCF to Franchisee equal to the then-current registration fee for such event. This fee is due whether or not Franchisee actually attends the annual meeting. GCF may preclude Franchisee from attending any meeting if Franchisee is in default of this Franchise Agreement at the time of the meeting or if Franchisee has had two (2) notices of default of this Franchise Agreement within 12 months prior to any meeting. GCF may also preclude Franchisee from participating in system calls, meetings or webinars while Franchisee is in default of this Franchise Agreement.

f. Software and Technology. During the term of this Franchise Agreement, GCF shall license to Franchisee the software for the GC Business ("**Proprietary Software**"), including all updates and enhancements created during the term of this Franchise Agreement (if any). Franchisee and its officers, directors, members, managers, partners and employees will be required to sign the Software License Agreement, attached to this Franchise Agreement as Attachment 4, and incorporated by this reference. GCF may discontinue the use of, development, maintenance, enhancements and updates of the Proprietary Software at any point during the term of this Franchise Agreement or may designate vendors to provide portions of it at their then-current rates, subject to change on the terms established by those vendors. Franchisee further agrees to pay a "Technology Fee" to GCF (as defined in Section 4.i.). Franchisee acknowledges and agrees that changes to technology and software are dynamic and not predictable within the term of this Franchise Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that GCF will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees to comply with those reasonable new standards that GCF establishes as if GCF periodically revised this Section for that purpose. Franchisee will be responsible for any increase in fees that result from any upgrades, modifications, or additional software or from increases from third-party vendors. GCF reserves the right to: (i) change or add approved suppliers of these services at any time in GCF's sole discretion; (ii) enter into a master license agreement with any software or technology supplier and sublicense the software or technology to Franchisee, in which case GCF

may charge Franchisee for all amounts that GCF must pay to the licensor based on Franchisee's use of the software or technology; (iii) create proprietary software or technology that must be used by GCF franchisees, in which case GCF may require that Franchisee enter into a license agreement with GCF and pay GCF reasonable initial and ongoing licensing, support and maintenance fees; and (iv) increase or decrease the Technology Fee and other technology and licensing and expenses that Franchisee is required to pay under this Franchise Agreement. It is Franchisee's responsibility to make sure that Franchisee in compliance with all laws that are applicable to the computer system, point-of-sale system, or other technology used in the operation of the GC Business, including all data protection or security laws as well as Payment Card Industry compliance. Any software programs not related to the operation of the GC Business must be approved by GCF before installation removal.

g. Equipment and Supplies. Upon Franchisee's satisfactory completion of the Initial Training Program, and as part of the consideration for the Initial Franchise Fee (as defined below), GCF shall provide a franchise starter package to Franchisee including product samples (subject to availability) and an initial supply of printed marketing materials. Franchisee shall be required to purchase any additional and ongoing supplies. All printed materials must be obtained from GCF or an approved supplier.

h. Marketing Assistance. GCF will provide Franchisee with marketing assistance, planning and programs for promotional materials, including seasonal and special promotions, and recommendations for their use. Franchisee shall pay GCF and/or approved vendors for materials and media used by Franchisee.

i. Opening Vendor Accounts. GCF may, at its option, open accounts on Franchisee's behalf with approved suppliers. In all cases, however, Franchisee shall be solely responsible for payment to GCF or the supplier (as directed by GCF) of all of its accounts. If GCF opens accounts on Franchisee's behalf, GCF may bill Franchisee for GCF's expenses in administering these accounts, besides the actual cost charged by the supplier. If GCF directs Franchisee to purchase its supplies from GCF, all payments by Franchisee shall comply with the Brand Standards Manual (see also Section 4, below). Franchisee may only purchase supplies, products, and materials from suppliers approved by GCF.

j. Disclaimer. GCF shall make reasonable efforts in providing approvals, advice, products, and services to Franchisee but shall not, by any such approvals, advice, or services, be deemed to have made any warranty or guarantee; and without limiting the generality of the foregoing statement, GCF makes no warranties concerning the computer hardware provided by GCF to Franchisee.

**3.2 Location and Scheduling Training.** All training shall be held at the location designated by GCF at the dates and times designated by GCF.

**3.3 GCF's Operations Assistance.**

a. Advice and Guidance. GCF may, but is not obligated to, periodically advise or offer guidance to Franchisee relating to prices for the services and products and supplies offered

for sale by the GC Business that in GCF's judgment constitutes good business practice. Franchisee shall not be obligated to accept any such advice or guidance. Franchisee shall have the sole right to determine the prices to be charged from time to time by the GC Business, and no such advice or guidance shall be deemed or construed to impose upon Franchisee any obligation to charge any fixed, minimum, or maximum prices for any service or supply offered for sale by the GC Business.

b. Sales and Marketing Assistance. GCF will provide to Franchisee sales and marketing assistance as set forth in the Brand Standards Manual, which also contains sales and marketing procedures for the commencement of the GC Business.

c. Operation Problems Assistance. GCF may, but is not obligated to, advise Franchisee of problems arising out of the operation of the GC Business as disclosed by reports submitted to GCF by Franchisee or by inspections conducted by GCF of the GC Business. GCF may furnish Franchisee with such assistance for the operation of the GC Business as is reasonably determined to be necessary by GCF from time to time. Operations assistance may comprise advice and guidance regarding any of the following:

i. Proper utilization of methods and procedures developed for a GC Business regarding the sale of products.

ii. Providing and promoting additional supplies, materials, products, and services authorized for Franchises.

iii. The institution of proper administrative, supervisory, and general operating procedures for the effective operation of Franchises.

iv. Marketing and promotional programs.

d. Master Franchisee Field Representative. As GCF deems appropriate, any geographic region may be represented by a master franchisee, area developer, or other designee not affiliated with GCF ("**Representative**"). GCF's Representative may make periodic visits to the Franchise premises for consultation, assistance, and guidance of Franchisee in all aspects of the operation and management of the Franchise, may prepare written reports regarding such visits outlining any suggested changes or improvements in the operation of the Franchise and detailing any defaults in such operations that become evident as a result of any such visit, and/or perform other obligations of GCF under this Franchise Agreement. A copy of each such written report may be provided to both GCF and Franchisee. Franchisee acknowledges and agrees that any duty, right or obligation imposed on GCF by this Franchise Agreement may be performed by any designee of GCF's, as GCF may direct.

e. Administration of Marketing Fund. GCF has established a national marketing fund ("**Marketing Fund**") for the purposes of marketing, developing and creating promotional materials and campaigns to enhance and promote the System, the Proprietary Marks, general public recognition, and acceptance thereof. GCF shall determine the cost, form of media, content, format, production, timing, location (including regional or local concentration and seasonal exposure), and all other matters relating to marketing, public relations, and promotional

campaigns. GCF has complete discretion on how the Marketing Fund will be utilized. GCF may use any media for dissemination of Marketing Fund advertisements. GCF is not obligated to spend money in the Marketing Fund in Franchisee's Area of Primary Responsibility, but all such marketing fees shall be spent to promote the System. The Marketing Fund will be in a separate bank account, commercial account or savings account. Money in the Marketing Fund may be used to promote the Proprietary Marks, and goods and services sold by the franchises. Money in the Marketing Fund may, in GCF's discretion, be used for franchise sales purposes. GCF may, at GCF's option, charge the Marketing Fund an administration fee of up to fifteen percent (15%) of the expenditures by the Marketing Fund for marketing production, media placement, and other expenses. GCF may reimburse itself, its authorized representatives or its affiliates from the Marketing Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes, and all other direct or indirect expenses associated with the programs funded by the Marketing Fund. The Marketing Fund will be administered by GCF, or GCF's affiliate or designees, in GCF's sole discretion. GCF does not guarantee that marketing expenditures from the Marketing Fund will benefit Franchisee or any other franchisee directly, on a pro rata basis, or at all. The Marketing Fund periodically will give Franchisee samples of marketing, and promotional formats and materials at no cost. Any unused funds in any calendar year will be applied to the following year's funds.

f. Advisory Council. GCF currently has a franchisee advisory council ("**Council**") to advise it on marketing policies and to provide input regarding the Marketing Fund and to promote communications between GCF and all franchisees. The Council is governed by bylaws. The Council serves in an advisory capacity only. GCF reserves the right to grant to the Council any operation or decision-making powers that GCF deems appropriate. GCF reserves the right to form, change, or dissolve the Council, in its sole discretion. If requested, Franchisee agrees to participate in, and, if required, become a member of the Council or similar organizations GCF may form or organize.

**4. FEES**

Franchisee shall pay to GCF the following fees:

a. Initial Franchise Fee. Franchisee shall pay the fee described on Attachment 1 and, if due and payable, all federal, state or municipal taxes, as a non-recurring initial franchise fee ("**Initial Franchise Fee**") to GCF upon the execution of this Franchise Agreement. The Initial Franchise Fee shall be paid by cashier's check, money order or wire transfer. In certain circumstances, the Initial Franchise Fee may be partially financed by GCF, in which case a portion of the Initial Franchise Fee will be paid by executing, contemporaneous with execution of this Franchise Agreement, a promissory note and security agreement, the forms of which are attached to the Franchise Disclosure Document. In such event, GCF shall select the financing option in Attachment 1, and Franchisee agrees as follows: (i) GCF has the right to take a security interest in Franchisee's assets as further described in the security agreement; (ii) these assets will be collateralized; and (iii) Franchisee grants GCF the authorization to file a financing statement in connection with such financing. Franchisee further agrees to promptly make all payments due under the promissory note, and that a default of any payment under the promissory note, shall also be a default of Sections 10.4(a) and 22 of this Franchise Agreement. Franchisees that qualify for the VetFran program are entitled to a discounted Initial Franchise Fee (see Attachment 1). In

addition, you must obtain a starter package from GCF which includes software, product samples, and a starter set of printed materials at our established pricing, presently $22,500 (plus applicable tax, tariff, and freight/shipping costs).

The Initial Franchise Fee is deemed fully earned when paid (and in the case of a promissory note, when such note is executed) to GCF, and is non-refundable; except that in the event a Franchisee (or a representative of Franchisee) commences but does not satisfactorily complete the Initial Training Program, as solely determined by GCF, the Initial Franchise Fee will be refunded less the expenses incurred by GCF (including the travel, lodging and meals for Franchisee to attend training, commissions paid to franchise brokers and GCF staff and the cost of the product samples). In the event of a refund as described herein, Franchisee must return the sample package and all software manuals and proprietary materials to GCF.

b. Royalty Fee.

1. Franchisee must pay to GCF a non-refundable continuing monthly royalty fee ("**Royalty Fee**"), based on each Franchise Year (as defined below):

| Time Period | Monthly Royalty Payment |
|---|---|
| 1st month of first Franchise Year | $350.00* |
| 2nd month of first Franchise Year | $400.00* |
| 3rd month of first Franchise Year | $450.00* |
| 4th month of first Franchise Year | $700.00* |
| 5th month of first Franchise Year | $750.00* |
| 6th month of first Franchise Year | $800.00* |
| 7th month of first Franchise Year | $1,050.00* |
| 8th month of first Franchise Year | $1,100.00* |
| 9th month of first Franchise Year | $1,150.00* |
| 10th month of first Franchise Year | $1,300.00* |
| 11th month of first Franchise Year | $1,350.00* |
| 12th month through 36th month of Franchise Agreement | $1,400.00* |

| | |
|---|---|
| 37th month of initial term through remainder of initial term | $2,250.00* |

*Plus $0.06 for each household above 30,000 households in Franchisee's Area of Primary Responsibility

2. The Royalty Fee, at GCF's option, may be adjusted once per calendar year. The percentage increase (if any) will not exceed the greater of: (a) five percent (5%) per calendar year since the last adjustment; or (b) the U.S. Consumer Price Index (for U.S. City Average, All Items Index, All Urban Consumers) percentage increase for the prior 12-month period multiplied by the number of calendar years since the last adjustment.

3. The first "**Franchise Year**" commences the first day of the first full month following Franchisee's satisfactory completion of the Initial Training Program or on any other date designated by GCF. Each subsequent one (1) year period is another Franchise Year.

4. Franchisee agrees that payment of the Royalty Fee shall be made monthly and received by GCF by electronic funds transfer ("**EFT**") no later than the 15th day of each month ("**Due Date**"). Franchisee shall execute an authorization agreement for preauthorized payments due to GCF by EFT from Franchisee's bank account to GCF's bank account. GCF has the right to periodically specify (in the Brand Standards Manual or otherwise in writing) different payees and/or payment methods for any payments due to GCF or its affiliates or designees, such as, but not limited to, weekly payment, payment by auto-draft, credit card and payment by check.

c. Marketing Fund Fees.

1. Franchisee must pay an Marketing Fund fee ("**Marketing Fund Fee**") as follows:

| Time Period | Monthly Marketing Fund Payment* |
|---|---|
| 1st through 4th months of first Franchise Year | $125 |
| 5th through 7th months of first Franchise Year | $250 |
| 8th through 10th months of first Franchise Year | $375 |
| 11 1th month through 13th month of Franchise Term | $550 |
| 14th month of Franchise Term through 17th month of Franchise Term | $625 |
| 18th month of Franchise Term through 20th month of Franchise Term | $750 |
| 21st month of Franchise Term through 23rd month of Franchise Term | $875 |
| 24th month of Franchise Term and thereafter | $1,000 |

*The Monthly Marketing Fund Payment, at GCF's option, may be adjusted once per calendar year. The percentage increase (if any) will not exceed the greater of: (a) five percent (5%) per calendar year since the last adjustment; or (b) the U.S. Consumer Price Index (for U.S. City Average, All Items Index, All Urban Consumers) percentage increase for the prior 12-month period multiplied by the number of calendar years since the last adjustment.

2. The Marketing Fund and cooperatives (if any) will be administered by GCF and/or its designees for the benefit of the System. GCF reserves the right in any year to increase the Marketing Fund Fees for all franchisees (subject to prior contractual restrictions on other franchisees). The Marketing Fund Fees shall be paid every 30 days. No interest on unexpended Marketing Fund Fees shall be imputed for the benefit of or payable to the franchisees. Marketing Fund Fees will be kept in a separate account apart from GCF's operating funds, except for the administration fee payable by the Marketing Fund to GCF. A statement of the expenditures of the Marketing Fund will be prepared quarterly and made available to each franchisee upon written request. Neither the Marketing Fund Fees, the Marketing Fund, nor any matter related thereto shall be construed as a "trust," "fiduciary relationship," or any other similar special arrangement, nor shall payment of the Marketing Fund Fee or any matter related thereto be construed to create the same. GCF may establish a toll-free telephone number for the benefit of the System, and if established, the costs associated with the toll-free telephone system will be paid by the Marketing

Fund. GCF may in the future establish the Gotcha Covered national support services network, under which qualified representatives can respond to inquiries from customers of Gotcha Covered franchisees. The costs for these services may be recovered by GCF partially or wholly from the Marketing Fund.

d. Launch Campaign and Local Marketing/Marketing. Although Franchisee is not required to do so, GCF strongly recommends that Franchisee participate in an initial launch campaign to help launch the GC Business. If Franchisee participates in an initial launch campaign, it will pay GCF for a marketing and marketing plan to launch the GC Business. In addition, once Franchisee's business is established, it is required that Franchisee spend at least five percent (5%) of its gross sales each month on marketing and marketing of its Franchise, which is subject to the approval and direction of GCF. Payments will be made by Franchisee directly to third parties who provide these goods and services to Franchisee. If you do not spend 5% of your gross sales within a calendar year on your local, in-territory, marketing, you will contribute the difference between the amount expended and the amount you should have expended as additional National Marketing Fees to us.

e. Training Fee for Additional Attendees of Initial Training Program or Continuous Learning. If during the term of this Franchise Agreement, Franchisee desires to send an additional person or persons to the Initial Training Program or any Continuous Learning sessions, Franchisee shall pay GCF's then-current training fee for each additional person (beginning with the third person for the Initial Training Program and the second person for any Continuous Learning sessions).

f. Continuing and Optional Training Fees. GCF shall charge a fee determined by GCF based on the training (if applicable) being provided for Franchisee's representatives for continuing and additional training. All travel and living expenses shall be borne by Franchisee.

g. Franchisee must pay GCF the then-current Technology Fee ("**Technology Fee**") (currently $476 per month). The Technology Fee is payable on the 15th day of the month. The Technology Fee is for website hosting, central telephone services, future web-based system integration, and for other technology-related services provided by GCF, and separate from software or other technology services obtained through third parties and payments associated with such services. GCF reserves the right to an annual increase of the Technology Fee of no more than ten percent (10%) per year, upon 30 days' notice. GCF also reserves the right to increase this fee if GCF offers updated or additional software or technology. If assessed by GCF, the Technology Fee will be payable monthly. Additionally, we may, as outlined in the Operations Manual, require you to use certain designated software for accounting or bookkeeping purposes. Your use of such software is a condition to your franchise, and in connection with such use, you must furnish to us no less than Viewing access to such software, together with all required reports as set forth herein. If we designate required accounting software or a financial aggregator, you must use such software from any designated vendor(s) as set forth in the Operations Manual. Such software use may include fees paid directly to such vendor(s), on such terms that they set.

h. Email Account Fee. Franchisee must pay an annual email account fee for the email services of GCF's designated provider. GCF will waive the email account fee for the first

calendar year. Thereafter, Franchisee shall pay the then-current annual email account fee (currently $235 per year, per email account due in December for the subsequent year).

i. Annual Conference Registration Deposit. You will pay us a $1,000 Annual Conference Registration Deposit, due within seven (7) days of execution of this Agreement, which will be applied to the actual attendance fee for your first attendance at the first annual conference available to you after you have completed your training. If any portion of this deposit is not required as part of that annual conference attendance or registration fee, it will be credited to you on your invoice following the annual conference. If you do not attend, this deposit will be applied toward your non-attendance fee.

j. Interest on Delinquent Payments. All late payments on any sums due GCF will bear interest at the lesser of eighteen percent (18%) per year simple interest or the maximum rate permitted by law, and be assessed a late fee of $100 per occurrence. Interest accrues from the original due date until payment is received in full.

k. Insufficient Funds Fee. If any check or EFT payment from Franchisee to GCF does not successfully convey funds due to insufficient funds, stop payment instructions, or any similar event, Franchisee shall pay, upon demand, a non-sufficient funds fee of $100 per incidence.

l. No Accord or Satisfaction. If Franchisee pays or GCF otherwise receives a lesser amount than the amount provided for under this Franchise Agreement for any payment due, such payment or receipt shall be applied against the earliest amount due GCF. GCF may accept any check or payment in any amount without prejudice to GCF's right to recover the balance of the amount due or pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be construed as an accord or satisfaction.

## 5. FRANCHISEE'S OBLIGATIONS

### 5.1 Franchisee Organization and Operations.

a. Franchisee Representations. If Franchisee is a business entity, Franchisee represents, warrants, and covenants that:

i. Duly Organized and Validly Existing. Franchisee is duly organized and validly existing under the state law of its formation and may do business in the jurisdiction where the GC Business shall be operated. The ownership interests in Franchisee as of the date hereof are accurately and completely set forth in Attachment 3 to this Franchise Agreement. Franchisee must immediately provide a copy of the updated list of owners to GCF upon the occurrence of any change of ownership and otherwise make its list of owners available to GCF upon request.

ii. Activities Confined to Franchise. Franchisee's governing documents shall provide the activities of Franchisee are confined exclusively to the development and operation of a GC Business and no other business unless otherwise consented to by GCF in writing.

iii. Maintain List of Owners/Notice. If Franchisee is a corporation, Franchisee shall maintain a current list of stockholders in the corporation. If Franchisee is a partnership, Franchisee shall maintain a current list of all owners of an interest in the partnership. If Franchisee is a limited liability company, Franchisee shall maintain a current list of members. If there is a change in such ownership, Franchisee shall provide such information to GCF within five (5) days subsequent to any such change and its stockholders, partners and members shall execute any documents deemed necessary by GCF to reflect such changes. Franchisee shall make its list of owners available to GCF upon request within five (5) days.

iv. Execution of Owners Agreement. All shareholders, members, partners, or other persons with a direct or indirect ownership interest in Franchisee hereby personally and unconditionally guarantee without notice, demand or presentment, the payment of all of Franchisee's monetary obligations under this Franchise Agreement and any other agreement between Franchisee and GCF and/or GCF's affiliates, as if each were an original party to this or any other agreement in his or her individual capacity. All such personal guarantors further agree to be bound by the restrictions upon Franchisee's activities upon transfer, termination or expiration and non-renewal of this Franchise Agreement as if each were an original party to this Franchise Agreement in his or her individual capacity. Any such persons having a five percent (5%) or more interest in Franchisee must execute the Owners Agreement, in the form attached to this Franchise Agreement as Attachment 2.

b. Above Warranties Continuing. Franchisee agrees that the representations, warranties, and covenants set forth above are continuing obligations of Franchisee.

c. Owner Participation. The GC Business shall be managed by Franchisee, or if Franchisee is an entity, one (1) shareholder, partner, or member who is a natural person designated in writing to GCF as the person to make all decisions for Franchisee and have the power of attorney of all other shareholders, partners, members, or owners ("**Designated Owner**"). The Designated Owner shall communicate with, and receive all mail from, GCF on behalf of Franchisee. When GCF provides notice to the Designated Owner, GCF shall be deemed to have provided notice to all stockholders, partners, members, or individuals. GCF may allow Franchisee to appoint a manager ("**Manager**") to run the day-to-day operations of the GC Business. Franchisee (or its Designated Owner, if Franchisee is an entity) and Franchisee's Manager (if applicable), must successfully complete GCF's training program and be Certified. If Franchisee replaces a Designated Owner or Manager, the new Designated Owner or Manager must satisfactorily complete GCF's training program at Franchisee's own expense.

d. Inspections. Franchisee agrees that GCF may inspect the GC Business and Franchisee's inventory and supplies from time to time as determined by GCF without prior notice to Franchisee. Inspections shall occur during normal business hours. Franchisee agrees that GCF may directly access Franchisee's records and other information on Franchisee's computer.

e. Employees and Contractors. Franchisee alone is responsible for all employment decisions and functions of its GC Business including, without limitation, those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, taxes, safety, work schedules, work conditions, assignments, personnel policies, benefits, recordkeeping,

supervision, compliance with workplace laws and discipline and termination of employees, regardless of whether Franchisee has received advice from GCF on these subjects or not. GCF will have no obligation to direct Franchisee's employees. GCF will have no liability for any action or settlement related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees and Franchisee agree to indemnify GCF for any liabilities they incur related to the aforementioned. Franchisee agrees that any direction Franchisee receives from GCF regarding employment policies should be considered as examples, that Franchisee alone is responsible for establishing and implementing its own policies, and that Franchisee understands that it should do so in consultation with local legal counsel well-versed in employment law. Franchisee shall inform each of Franchisee's employees that Franchisee alone is their employer and GCF is not. Franchisee agrees to explain to Franchisee's employees and contractors the respective roles of a franchisor and franchisee and GCF's relationship with Franchisee, and Franchisee will request that Franchisee's employees and contractors sign any acknowledgement or disclosure explaining the differences between GCF and Franchisee, their employer or contractor. GCF may require any employees or independent contractors of Franchisee that may have access to proprietary information of GCF to sign a non-disclosure and non-competition agreement in the form provided by GCF. All employees or independent contractors hired by or working for Franchisee will be Franchisee's employees or independent contractors alone and will not, for any purpose, be deemed GCF's employees or subject to GCF's control, including with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. Franchisee and GCF will file their own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation payments with respect to their respective employees and operations.

f. Inquiries Concerning GCF Products or Services. GCF will not respond to inquiries from employees or other representatives of Franchisee concerning products or services provided by GCF who have not been Certified by GCF (see Section 3.1.b above).

g. Lead Follow-Up. Franchisee shall, within one (1) business day of receiving a potential customer lead from GCF, contact the prospective customer. If Franchisee anticipates it cannot meet this requirement for a limited time (such as a vacation by a Franchisee, or an individual owner of a Franchisee), Franchisee must notify GCF in advance of, and receive GCF's approval of, the time in which it cannot meet this requirement. If Franchisee cannot contact a potential customer within the one (1) business day, GCF may give the lead to another Gotcha Covered franchisee.

h. Customer Service. Franchisee shall maintain a high level of customer service and adhere strictly to GCF's standards and specifications. GCF may contact any client of Franchisee for any purpose. GCF has the right to address any complaints by Franchisee's customers to preserve goodwill and prevent damage to the brand. GCF's right to address complaints may include refunding money to the complaining person, in which case Franchisee must reimburse GCF for these amounts.

i. Control of GC Business. Franchisee acknowledges and agrees, and will never contend otherwise, that Franchisee alone will exercise day-to-day control over all operations,

activities and elements of the GC Business and that under no circumstance shall GCF do so or be deemed to do so. Franchisee further acknowledges and agrees, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of System which Franchisee is required to comply with under this Franchise Agreement, whether set forth in the Brand Standards Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that GCF controls any aspect or element of the day-to-day operations of the GC Business, which Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising its control of the day-to-day operations of the GC Business. Franchisee may not use the Proprietary Marks in signing any contract or in applying for any license or permit or in a manner that may result in GCF's liability for Franchisee's debts or obligations.

j. Customer Data & Security. Franchisee acknowledges that all data that Franchisee collects, creates, provides or otherwise develops (including, but not limited to customer information) is (and will be) owned exclusively by GCF, and GCF will have the right to use such data in any manner that GCF deems appropriate without compensation to Franchisee. Copies and/or originals of such data must be provided to GCF upon request. GCF hereby licenses use of such data back to Franchisee, at no additional cost, solely for the term of this Franchise Agreement and solely for Franchisee's use in connection with the business franchised under this Franchise Agreement. Franchisee agrees to provide GCF with the information that GCF reasonably requires with respect to data and cybersecurity requirements. Franchisee agrees to indemnify GCF for any loss of data including, but not limited to customer information, resulting from a breach of such data caused, in whole or in part, by Franchisee. Franchisee agrees to use a designated customer relationship management (CRM) software as set forth in the Operations Manual at all times during which the franchised business is in operation.

**5.2 Promotion.** Franchisee shall use its best efforts to actively promote the sale of GCF products and services, and to maintain and extend, whenever possible, excellent business relations, goodwill, and reputation with its customers, suppliers, and others.

**5.3 Use, Display, and Ownership of the Proprietary Marks and Software.**

a. Only Approved Marks. Franchisee shall use only the Proprietary Marks designated by GCF and shall use them only in the manner authorized and permitted.

b. Marks Only for Franchise. Franchisee shall use the Proprietary Marks only for the operation of the Franchise and in marketing related to the GC Business, and only during the term of the Franchise Agreement. Franchisee agrees to cease use of the Proprietary Marks after the termination or expiration of this Franchise Agreement and Franchisee shall take appropriate action to remove the Proprietary Marks from Franchisee's business and to cancel any marketing relationship to Franchisee's use of the Proprietary Marks, including Yellow Pages listings and other print and online directories and social media properties including but not limited to Facebook, Google, Yahoo, Bing, Yelp, Angie's List, and Twitter, the administrative access to which and ownership shall remain with GCF, in keeping with the Conditional Assignment.

c. Conditions of Marks; Internet Restrictions. During the term of this Franchise Agreement and in compliance with the Brand Standards Manual, Franchisee shall identify itself as

the owner of the Franchise with any use of the Proprietary Marks, including tag lines applicable to, but not limited to, use on invoices, order forms, receipts, contracts, stationery, and business cards and all other forms of marketing. Franchisee must indicate to the public in any contract, advertisement or otherwise that Franchisee is an independently owned and operated licensed franchisee of GCF. Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness for GCF. Franchisee shall not use the Proprietary Marks as part of its business entity or other legal name without the written permission of GCF. Franchisee shall comply with GCF's instructions in filing and maintaining the requisite trade name or fictitious name registrations and shall execute any documents deemed necessary by GCF to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability. Franchisee shall identify all marks as Proprietary Marks of GCF. Franchisee shall not post any of GCF's confidential information on the Internet, and Franchisee shall not post any GCF copyrighted material or information on the Internet without GCF's prior written permission; nor shall Franchisee assist any other party in doing so. Franchisee shall not maintain a website or otherwise maintain a presence or advertise on the Internet or any other public computer network with the GC Business without GCF's prior written approval, which GCF may withhold for any or no reason. Franchisee agrees that only GCF (and not Franchisee) may register a domain name containing any Proprietary Mark that is used for the GC Business, and the domain name registration will remain under GCF's sole ownership. Franchisee shall only use material that GCF has approved. Franchisee's website must conform to all GCF's website requirements, whether set forth in the Brand Standards Manual or otherwise. Franchisee explicitly understands it must not post on its website any material in which any third party has any direct or indirect ownership interest (including video clips, photographs, sound bites, copyrighted text, trademarks or service marks, or any other text or image in which any third party may claim intellectual property ownership interests). Franchisee agrees that GCF may provide on the Gotcha Covered System website a link to Franchisee's website. The requirement for GCF's prior approval in this Section will apply to all activities on the Internet or other communications network to be conducted by Franchisee, except that Franchisee may maintain one (1) or more email addresses (but Franchisee must use Gotcha Covered email addresses only for business of the Franchise), and Franchisee may conduct individual email communications without GCF's prior written approval; provided that the address and communications comply with all of the requirements (including those pertaining to GCF's Proprietary Marks) in this Franchise Agreement.

d. Notice of Infringement. Franchisee shall immediately notify GCF of any infringement of the Proprietary Marks or challenge to its use of any of the Proprietary Marks or claim by any person of any rights in the Proprietary Marks. Franchisee agrees it will not communicate with any person other than GCF's counsel regarding any such infringement, challenge, or claim. GCF shall have sole discretion to take such action as it deems appropriate and the right to exclusively control any litigation, or any Patent and Trademark Office or other proceeding arising out of any infringement, challenge, or claim, or otherwise relating to the Proprietary Marks. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts and things as required, in the opinion of GCF, to maintain GCF's interests in any such litigation or Patent and Trademark Office or other proceeding, or to otherwise protect and maintain GCF's interest in the Proprietary Marks. GCF is not required to indemnify Franchisee for expenses or damages if Franchisee is a party to an administrative or judicial proceeding involving the Proprietary Marks, or if the proceeding is resolved unfavorably to Franchisee.

e. Additional Understandings Concerning the Proprietary Marks:

i. Ownership. GCF is the sole owner of all right, title, and interest in the Proprietary Marks and the goodwill associated with and symbolized by them.

ii. Franchisee Shall Not Contest. Franchisee shall not directly or indirectly contest the validity of GCF's ownership in or validity of the Proprietary Marks.

iii. Franchisee Has No Ownership Right. Franchisee's use of the Proprietary Marks regarding this Franchise Agreement does not give Franchisee any ownership or other interest in or to the Proprietary Marks, except the license granted by this Franchise Agreement. Any and all goodwill arising from Franchisee's use of the Proprietary Marks in its Franchise shall inure solely and exclusively to GCF's benefit. Upon the expiration or termination of this Franchise Agreement and the license granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks.

iv. Franchisee's Right Non-Exclusive. The right and license of the Proprietary Marks granted to Franchisee is non-exclusive. GCF retains the right to grant other licenses for the Proprietary Marks in addition to those licenses already granted to existing franchisees, the right to develop and establish other systems using names or marks other than the Proprietary Marks which may operate in Franchisee's Area of Primary Responsibility, and to grant licenses or franchises thereto without providing any rights therein to Franchisee.

v. GCF's Right to Change Marks. GCF reserves the right to add, delete, or substitute different trade names, service marks, trademarks, symbols, logos, emblems, and indicia of origin for the Proprietary Marks for identifying the System and the GC Business if the Proprietary Marks can no longer can be used, or if GCF, in its sole assessment, determines that the addition, deletion, or substitution of different trade names, service marks, trademarks, symbols, logos, emblems, or indicia of origin will be beneficial to the System. GCF may require Franchisee, at Franchisee's sole expense, to discontinue or modify using any of the Proprietary Marks or to use one or more additional or substitute trade names, service marks, trademarks, symbols, logos, emblems, or indicia of origin.

f. The Proprietary Software. The right and license of the Proprietary Software granted to Franchisee is non-exclusive. GCF retains the right to grant other licenses for the Proprietary Software.

**5.4 Approval of Marketing; Marketing Cooperatives; Participation in Promotions.**

a. Marketing Resources. All marketing and promotion by Franchisee in any medium shall conform to the standards and requirements of GCF as set forth in the Brand Standards Manual or otherwise as stated by GCF (see also Section 5.3.c above). Franchisee may not engage in any promotional or similar activities, whether directly or indirectly, through or on the Internet or any similar proprietary or common carrier electronic delivery system. Franchisee may not establish

an account or participate in social networking sites, crowdfunding campaigns or blogs or mention or discuss the GC Business, GCF, or its affiliates without GCF's prior written consent. Franchisee may not develop marketing, promotional, or marketing materials for its own use. Franchisee may not use any marketing, promotional, or marketing materials that GCF has not provided or approved. Use of logos, Proprietary Marks, and any other name identification materials must follow GCF's approved standards. Franchisee may not use GCF's logos, Proprietary Marks, or other name identification materials on items to be sold or services to be provided without GCF's prior written approval. Franchisee shall promptly discontinue use of any marketing, promotional, or marketing plans or materials, whether or not previously approved, upon notice from GCF.

b. Local and Regional Cooperatives. Franchisee understands that GCF may form local and regional marketing councils or cooperatives ("**Co-ops**"), and if directed to do so by GCF, Franchisee agrees to become a member of a Co-op for a region that includes Franchisee's Area of Primary Responsibility. If directed by GCF to become a member of a Co-op, Franchisee agrees to abide by the bylaws established by the Co-op.

c. Participation in Promotions. Franchisee must participate in marketing promotions of the Marketing Fund, of any Co-op of which Franchisee is a member, and in those created by GCF outside of the Marketing Fund and any Co-ops.

d. Franchisee Marketing Outside of its Area. If Franchisee intends to use any form of online or offline marketing that cannot be limited to Franchisee's Area(s) of Primary Responsibility, prior to commencing the marketing, Franchisee must advise GCF of the marketing and the area in which the marketing may be seen or heard, and receive GCF's approval of the marketing. Franchisee must obtain from GCF current information about other GCF franchisees in that area, and Franchisee must use reasonable efforts (as specified below) to provide those other franchisees with the opportunity to have information about their franchises included in the marketing by paying their proportional share of the costs of the marketing. In this situation, Franchisee will also be entitled to collect from the other participating franchisees a total administrative fee of 15% of the cost of the marketing (or such other amount agreeable to Franchisee and the other participating franchisees), which fee will be prorated among the participating franchisees. In this provision, "reasonable efforts" means that Franchisee will provide written notice to the other franchisees, in the manner reasonably specified by GCF, and give the other franchisees at least ten (10) days to respond.

e. Statement of Independent Ownership. All marketing and promotional materials (including, but not limited to, business cards, order forms, and letterhead) must state Franchisee's business is independently owned, using language that may be specified from time to time by GCF. If Franchisee maintains an office other than in a residence, Franchisee shall display in that office a sign, in a form and with language specified from time to time by GCF, indicating the business is independently owned.

f. Unauthorized Marketing. If Franchisee violates any provision of this Section, in addition to all other remedies available to GCF, Franchisee will pay an unauthorized marketing fee of $500 per occurrence to the Marketing Fund to offset the damage caused by Franchisee's breach.

### 5.5 Approved Products and Services.

a. All products or services sold by Franchisee must be approved by GCF prior to their sale, as specified in Section 5.11 below. The Franchisee's offer or sale of any unauthorized product or service, or use of any pilot program, shall in no event give rise to liability of GCF.

b. Franchisee shall offer for sale in its GC Business only those types of products and services GCF deems consistent with and beneficial to the System, and Franchisee agrees not to offer for sale products for which Franchisee lacks sufficient skill and knowledge to provide the high level of service associated with the System.

### 5.6 Business Equipment, Payment Acceptance and Supplies.

a. Franchisee shall maintain an office in Franchisee's home or other location used solely for conducting activities related to the GC Business. Besides the hardware package provided by GCF to Franchisee, the office shall be equipped with equipment including a multi-purpose office machine with scanning and copying capabilities, an answering machine or answering service, credit card processing service, and supplies necessary to conduct the GC Business.

b. Franchisee agrees to maintain, at all times, credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, merchant service providers, and electronic-fund-transfer systems that GCF may periodically designate as mandatory. Franchisee agrees not to use any payment Vendor for which GCF has not given prior written approval or as to which GCF has revoked its earlier approval. GCF has the right to modify GCF's requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke its approval of any service provider.

c. Franchisee agrees to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that GCF may reasonably specify. Among other things, Franchisee agrees to implement the enhancements, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards.

d. Prior to the commencement of Franchisee's Initial Training Program, Franchisee agrees to have installed at its office not less than one (1) operational telephone landline or cellular line, email, call-waiting and voicemail. The equipment shall be operational and functioning during the term of this Franchise Agreement.

e. Franchisee shall, at its expense, maintain a high-speed Internet connection and email account or accounts meeting the minimum standards established by GCF from time to time, to be able to receive and transmit communications and documents as required by GCF. Franchisee must pay GCF its then-current annual email account fee for each email account utilized by

Franchisee; however, GCF shall waive this fee for the calendar year or partial calendar year in which this Franchise Agreement is executed. Franchisee will use GCF's designated provider for its email accounts and agrees to such provider's terms of service. Franchisee shall check its email box each business day and read and promptly respond (as applicable) to all messages from GCF.

f. Franchisee understands and agrees that GCF has the right to independently access Franchisee's electronic information and data through GCF's proprietary data management and intranet system and to collect and use the electronic information and data in any manner, including for the promotion of the System and the sale of Franchises. This may include posting financial information of each franchisee on an intranet website. There is no contractual limitation on GCF's right to receive or use information through its proprietary data management and intranet system.

g. Franchisee shall, at Franchisee's expense, maintain updates of fabric and product samples as required by GCF, or if updates are designated as optional by GCF, then at Franchisee's discretion. Such updates shall occur no less than annually.

h. Franchisee, at its own cost and expense, must purchase and install all fixtures, furnishings, equipment, supplies and signage in conformance with the Brand Standards Manual and GCF's specifications and requirements.

i. Franchisee shall, at Franchisee's expense, maintain a vehicle which it will use in the operation of the GC Business ("**Vehicle**"). The Vehicle must meet GCF's specifications and minimum standards and is subject to GCF's approval prior to its use in the GC Business. GCF reserves the right to revoke its approval of a Vehicle should the Vehicle no longer meet GCF's minimum standards. GCF may, at is option, require Franchisee to purchase magnetic signs for the Vehicle from an approved supplier.

**5.7 Goodwill.** Franchisee shall protect the goodwill of the Proprietary Marks and the System, and shall maintain uniform standards of operation, shall pay all business obligations, whether with GCF, approved suppliers, or with others, when due and according to their terms, and shall comply with all standards, policies, and manuals established by GCF relating to merchandise, vehicles, display materials, and appearance and conduct of all sales and installation personnel or other representatives who meet the public.

**5.8 Warranties, Customer Relations, and Refund Policies.** Franchisee agrees to follow any and all warranty and customer relations policies and/or guarantee and refund policies established in the Brand Standards Manual or otherwise in writing from time to time by GCF. Franchisee acknowledges that compliance with GCF's warranty, customer relations, and refund policies are integral to the operation of the Franchise.

**5.9 Publicity.** Franchisee agrees to allow GCF to use its (if Franchisee is one or more persons) or its principal employees' name(s), written endorsements and photographic likeness of any type (including film, video tape, or photograph), in publicity of GCF.

**5.10 Training and Certification.**

a. Initial Training Program; Certification. Franchisee (or if Franchisee is an entity, its Designated Owner) and its Manager, if any, shall participate in and complete the Initial Training Program required by GCF to become Certified by GCF, and Franchisee, or its Designated Owner or Manager, if Franchisee is an entity) shall participate in and complete the Continuous Learning sessions as required by GCF to maintain certification and enable continued growth and development.

b. Additional Training Requirements. Franchisee shall participate in further training as required by GCF from time to time. Franchisee shall require any employees, independent contractors, or other agents or representatives of Franchisee who render services in the Franchise to complete any and all training required of them under GCF policies. You or your manager must attend the regularly scheduled huddles, meetings, and conferences (aside from our Annual Conference) which are identified and scheduled by us as set forth in the Operations Manual. These are offered to provide, at no cost, additional and ongoing training aimed at your business performance and improvement. If any are rescheduled without at least 2 business days' notice, your absence will be regarded as excused. Likewise, if you obtain prior permission to be absent, such will not impact your compliance with these requirements.

You are required to attend our Annual Conference, and to pay the then-current registration fee which will be established and updated in the Operations Manual and communicated to you. If you do not attend, a non-attendance fee in the amount of the then-current registration fee will apply, in consideration of our delivering to you the materials or supplements available to attendees.

c. Certification Requirement. Franchisee shall have a minimum of one (1) person Certified by GCF active in the day-to-day operations of the GC Business.

**5.11 Restriction on Goods/Primary Suppliers/Other Business.**

a. Restriction Requirements; Payment of Invoices. Franchisee shall forward all its purchase orders either directly to the approved suppliers or to GCF directly, as instructed by GCF. All goods or materials may only be purchased from GCF or GCF approved suppliers/vendors, including some mandatory goods, materials, or services to adhere to GCF system standards. Among such mandatory services are use of call center services, obtaining telephone numbers, and call tracking services, which must be provided by the designated supplier(s). Franchisee acknowledges that prices charged by suppliers may vary between the original order and the final invoice because of Franchisee requesting additional items, substitutions, or other factors and may be changed by such suppliers on the terms reasonably applicable to such changes in prices or terms, and as the same are communicated to Franchisee either by the supplier or by GCF when GCF becomes aware of such changes. Franchisee shall timely pay all invoices from suppliers.

b. Vendor Discounts. Some approved suppliers may give or pay GCF discounts and/or rebates based on purchases by GCF franchisees. GCF may direct these amounts from approved suppliers be paid directly to GCF, at GCF's sole determination. Some or all these

amounts may be used by GCF to help offset its cost of administrating the GCF System and responding to inquiries and complaints from GCF franchisee customers.

c. Submission for Approval. Franchisee may request that GCF approve or designate a potential new supplier to the System by following the procedures, and paying all required fees and expenses associated with GCF's inspection of the proposed supplier for approval, as set forth in the Brand Standards Manual and modified periodically by GCF in GCF's discretion.

d. Vendor Errors or Delays. Franchisee waives the right to bring any claims against GCF and its affiliates, and their respective officers, directors, members, managers, partners, employees, agents, or representatives (as applicable), for any billing errors by vendors, and any errors or omissions in, or delays in shipping or delivery of, any order; except to the extent directly caused by GCF or its affiliate, and then only against the responsible entity, and Franchisee waives the right to consequential or punitive damages.

e. Certified Installers. GCF may create a certified installer program, in which GCF will train and certify individuals and/or business entities to install products that Franchisee sells to its customers. If GCF creates this program, and one (1) or more certified installers exist for areas in which Franchisee's customers are located, Franchisee must use only the certified installer(s) for those locations.

**5.12 Insurance.**

a. Minimum Coverage and Amounts. Upon commencement of franchise operations, and during the term of this Agreement, you will obtain and keep in force by advance payment of premium appropriate fire and extended coverage, vandalism, malicious mischief, general liability and products liability insurance. This insurance will be in an amount sufficient to replace your personal property upon loss or damage. This insurance will be written by a financially responsible insurance company satisfactory to us in accordance with our standards and specifications in the Operations Manual. The insurance will include, at a minimum, the following:

A. Comprehensive general liability insurance, including and products liability, completed operations, property damage, contractual liability, independent contractors liability, owned and non-owned and hired automobile coverage, and personal injury coverage with a combined single limit of at least **$1,000,000** per occurrence and **$2,000,000** aggregate, including umbrella coverage.

B. Workers' compensation and employer's liability insurance, and other insurance required by statute or rule of the state in which the franchise is located and operated.

The insurance will insure us, you, and our respective subsidiaries, owners, officers, directors, partners, members, employees, servants, and agents against any loss, liability, products liability, personal injury, death or property damage that may accrue due to your operation of the Franchise. Your policies of insurance, will contain a separate endorsement naming us as an additional named insured. The insurance will not be limited in any way because of any insurance we maintain, and will be the primary, non-contributory insurance for claims made thereunder. The

insurance will not be subject to cancellation except upon **20** days' written notice to us. Certificates of your insurance policies will be kept on deposit with us. Maintenance of the required insurance will not diminish your liability to us under the indemnities contained in this Agreement. The policy or policies will insure against our vicarious liability for actual and (unless prohibited by applicable law) punitive damages assessed against you.

All insurance policies you obtain will contain a blanket waiver of the insurer's rights of subrogation in respect of or against us and our officers, agents, employees and representatives; and will not contain any insured vs. insured exclusion clause, but will contain a severability clause providing that each the policy will be treated as though a separate insurance policy had been issued to each named insured. Within five (5) business days after issuance of a new or renewal policy, you must provide a copy of the certificate of insurance bearing our endorsement as an additional insured to us or to our designee.

We may require you to increase the minimum limits of and types of coverage to keep pace with regular business practice and prudent insurance custom.

If you fail to comply with any of the requirements of this Subsection, we may, but are not obligated to, purchase insurance at your expense to protect our interests. This insurance may, but need not, also protect your interest. The coverage we obtain might not pay any claim you make or any claim made against you. You may later cancel the insurance we obtain by providing evidence that you have obtained proper coverage elsewhere. You are responsible for the cost of any insurance purchased by us pursuant to this paragraph. This coverage may be considerably more expensive than insurance you can obtain on your own and might not satisfy your needs. You will pay us upon demand the premium cost of this insurance with a late payment charge on the unpaid balance at the rate established in this Agreement.

You will promptly report all claims or potential claims against you, the Business or us in writing when you become aware of them. You will give immediate written notice to us of any claims or potential claims you make to your insurers.

We may, at our sole discretion, upon not less than 90 days prior written notice to you, secure a policy of insurance which will provide defined insurance coverage to all or any part of the Gotcha Covered system. This policy may replace or supplement the insurance coverage you are required to maintain. You will pay the relevant insurance premium to us or the designated insurance provider, as we direct.

Nothing contained in this Agreement will be construed as a representation or warranty by us that the insurance coverage we specify will insure you against all insurable risks or amounts of loss which may or can arise out of or in connection with the operation of your franchise business. It is your sole responsibility to ensure that adequate insurance coverage is obtained for your business.

Your procurement and maintenance of the insurance specified above will not relieve you of any liability to us under any indemnity requirement of this Agreement.

b. Certificate of Insurance and General Insurance Requirements. Franchisee must maintain on file with GCF all certificates of insurance as set forth in the Brand Standards Manual.

c. Failure to Maintain Insurance. In the event Franchisee fails to obtain the required insurance and to keep the same in full force and effect, GCF, may, but shall not be obligated to, purchase insurance on Franchisee's behalf from an insurance carrier of GCF's choice, and Franchisee shall reimburse GCF for the full cost of such insurance, along with a service charge of 20% of the premium to compensate GCF for the time and effort expended to secure such insurance, within five (5) days of the date GCF delivers an invoice detailing such costs and expenses to Franchisee. Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling GCF to terminate this Franchise Agreement or exercise any or a combination of the other default remedies set forth in Section 10 of this Franchise Agreement.

**5.13 Compliance with Laws; Licenses.** Franchisee is responsible for becoming knowledgeable of, and complying with, all laws and regulations applicable to Franchisee's GC Business. Franchisee shall obtain, at its expense, any licenses that are required under Franchisee's state or local laws to operate the GC Business, which may include a contractor's license. Franchisee shall provide proof of all necessary licenses and permits to GCF.

**5.14 Minimum Working Capital.** GCF recommends that Franchisee has sufficient working capital after the Initial Franchise Fee is paid but prior to the commencement of the Franchise operations, to be used for initial marketing expenses, office equipment and the other equipment required by GCF, insurance, all necessary business licenses, contractors or other licenses required by applicable law, initial tools and supplies, deposits, initial start-up costs and related expenses including marketing expenses.

**5.15 Improvements Developed by Franchisee**. During the term of this Franchise Agreement, any improvements or additions to the System, patents, copyrighted materials, website or any other documents or information pertaining to or relating to the System or the GC Business, or any new trade names, trade and service marks, logos, or commercial symbols related to the GC Business or any marketing and promotional ideas or inventions related to the GC Business (collectively, the "**Improvements**") that Franchisee conceives or develops shall become GCF's property. Franchisee agrees to assign and does hereby assign to GCF, all right, title and interest in and to the Improvements, including the right to grant sublicenses to any such Improvement. Franchisee shall fully disclose the Improvements to GCF, without disclosure of the Improvements to others, and shall obtain GCF's written approval prior to using such Improvements. Any such Improvement may be used by GCF and all other Gotcha Covered franchisees without any obligation to Franchisee for royalties or other fees. GCF may, in its discretion, apply for and own copyrights, patents, trade names, trademarks and service marks relating to any such Improvement and Franchisee shall cooperate with GCF in securing such rights. GCF may also consider such Improvements as GCF's property and trade secrets. In return, GCF shall authorize Franchisee to utilize any Improvement that may be developed by other franchisees and is authorized generally for use by other franchisees. All Improvements created by Franchisee or any other person or entity retained or employed by Franchisee are GCF's property, and GCF shall be entitled to use and license others to use such Improvements unencumbered by moral rights. If any of the

Improvements are copyrightable materials, they shall be works made for hire within the meaning of the United States Copyright Act and, to the extent the copyrighted materials are not works made for hire or rights in the copyrighted materials do not automatically accrue to GCF, Franchisee irrevocably assigns and agrees to assign to GCF, its successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such copyrighted materials, which Franchisee and the author of such Copyrighted Materials warrant and represent as being created by and wholly original with the author. Where applicable, Franchisee agrees to obtain any other assignments of rights in the Improvements from another person or entity necessary to ensure GCF's right in the Improvements as required in this Section.

**5.16 Opening.** Franchisee may not open its GC Business until: (1) GCF notifies Franchisee in writing that all of Franchisee's pre-opening obligations have been fulfilled; (2) Franchisee has completed the Initial Training Programto GCF's satisfaction; (3) all amounts due to GCF have been paid; (4) GCF has been furnished with copies of all insurance policies and certificates required by this Franchise Agreement, or other documentation of insurance coverage and payment of premiums GCF requests; (5) Franchisee notifies GCF that all approvals and conditions stated in this Franchise Agreement have been met; (6) Franchisee has received all required permits and licenses; and (7) Franchisee has ordered, received, and installed any equipment, supplies, inventory, and related materials. Franchisee must be prepared to open and operate the GC Business immediately after GCF states the GC Business is ready for opening.

## 6. FRANCHISEE TO OPERATE BUSINESS IN ACCORDANCE WITH BRAND STANDARDS MANUAL, POLICIES AND PROCEDURES.

### 6.1 Brand Standards Manual.

a. Operation under Brand Standards Manual. Franchisee shall operate the Franchise in accordance with the Brand Standards Manual. GCF reserves the option to provide the Brand Standards Manual and other written information in electronic format including online, software, email, and intranet.

b. Confidentiality of Brand Standards Manual and Other Materials. Franchisee shall treat the Brand Standards Manual as confidential and shall use all reasonable efforts to maintain GCF's information in the Brand Standards Manual as secret and confidential. Franchisee shall not, without GCF's prior written consent, copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise provide them to any third party.

c. Property of GCF. The Brand Standards Manual shall remain the sole property of GCF.

d. GCF's Right to Revise. GCF may, from time to time, revise the contents of the Brand Standards Manual and Franchisee agrees to comply with the revisions.

e. Franchisee to Maintain Current Copies. Franchisee shall ensure its copies of the Brand Standards Manual are kept current and up-to-date, and if any dispute occurs as to the

contents of the Brand Standards Manual, the terms of the master copy of the Brand Standards Manual maintained by GCF shall be controlling.

f. Compliance by Franchisee Vital. Franchisee acknowledges that compliance with the Brand Standards Manual is vitally important to GCF and other Gotcha Covered franchisees and is necessary to protect GCF's reputation and the goodwill of the Proprietary Marks and to maintain the uniform quality of operation through the System. However, while the Brand Standards Manual is designed to protect GCF's reputation and the goodwill of the Proprietary Marks, they are not designed to control the day-to-day operation of the GC Business.

**6.2 Policy and Procedures.**

a. Scope of the Policy and Procedures. The policy and procedures include not only all the information in the Brand Standards Manual, but also any software programs, business forms and methods of operation.

b. Franchisee to Abide by Policy and Procedures. Franchisee understands and acknowledges every detail of the System is essential to the System. Franchisee agrees to abide by GCF's policies and procedures, including submission of a current payment authorization in the form designated in the Brand Standards Manual.

c. Franchisee to Pay Promptly. Franchisee agrees to pay GCF and all vendors promptly for all services and goods. If Franchisee fails to pay timely as required in this Franchise Agreement or the Brand Standards Manual, Franchisee agrees that GCF has the right to stop processing orders from Franchisee and hold shipment on all pending orders (if applicable).

d. Credit/Debit Card Default Authorization. Upon execution of this Agreement, Franchisee shall execute an authorization for GCF to charge or debit a Franchisee bank account or credit/debit card for obtainment of payment from Franchisee if Franchisee is over ten (10) days late in payment of any fees as set forth in Section 4 above. If a failure to pay occurs, GCF shall provide 48 hours' notice by email to Franchisee of GCF's intent to execute the authorization unless Franchisee cures the default. If the authorization is necessary to cure the default, Franchisee agrees to pay to GCF the additional cost incurred by GCF in administering this program, in the amount of three percent (3%) of the amount of the debit or credit. GCF will bill Franchisee for these costs and payment will be due immediately. Franchisee agrees that if the credit/debit card authorization does not cure the default, Franchisee assigns to GCF the receivables from customers of all outstanding orders until such default is cured. Franchisee agrees to maintain a current authorization in the form set forth in the Manuals, at all times. GCF may also terminate this Franchise Agreement as provided for below.

e. Telephone Lines, Numbers and Directory Marketing Policy.

i. GCF may operate a toll-free telephone number to be used by the customers of Franchisee. The expenses associated with the toll-free telephone number will be paid by the Marketing Fund.

ii. If Franchisee operates the Franchise from a place of residence, Franchisee's business telephone line must be separate and distinct from the owner's personal, residential telephone number. At the time of the expiration or termination of this Franchise Agreement regarding Franchisee's telephone numbers, Franchisee shall comply with the provisions on termination below.

iii. Franchisee may advertise the Franchise in one or more print or online directories in its Area of Primary Responsibility, as specified by GCF. The placement and size of directory marketing shall be at Franchisee's sole discretion and cost, but its content must have prior approval from GCF. All directory advertisements must state the Franchise is independently owned and operated, using language that GCF may specify from time to time, must list the local telephone number of the Franchise, and may list the GCF toll-free number if one has been established by GCF. Franchisee may, at its option, but subject to approval by GCF, join with other Gotcha Covered franchisees in print or online marketing venues and directories; and if so, the local telephone number of each Gotcha Covered franchisee may be in the listing or advertisement.

iv. Franchisee acknowledges that all telephone numbers, facsimile numbers, social media websites, Internet addresses, domains, Google My Business directory listings, websites, email addresses, and any other collateral, profiles, online presences, or other listings (collectively "**Identifiers**") used in the operation of the GC Business constitute GCF's assets, and upon termination or expiration of this Franchise Agreement, Franchisee will take such action within five (5) days to cancel or assign to GCF or its designee as determined by GCF, all of Franchisee's right, title and interest in and to such Identifiers and will notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any Identifiers, and any regular, classified or other telephone directory listing associated with the Identifiers and to authorize a transfer of the same to, or at GCF's direction. Franchisee agrees to take all action required to cancel all assumed name or equivalent registrations related to Franchisee's use of the Proprietary Marks. Franchisee acknowledges that GCF has the sole rights to, and interest in, all Identifiers used by Franchisee to promote the GC Business and/or associated with the Proprietary Marks. Franchisee hereby irrevocably appoints us, with full power of substitution, as Franchisee's true and lawful attorney-in-fact, which appointment is coupled with an interest to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. Franchisee further appoints GCF to direct the telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party to transfer such Identifiers to GCF or its designee. The telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party may accept such direction by GCF pursuant to this Franchise Agreement as conclusive evidence of GCF's rights to the Identifiers and GCF's authority to direct their transfer.

f. Privacy Policy. Franchisee agrees to comply with all applicable laws pertaining to the privacy of customer, employee, and transactional information ("**Privacy Laws**"). Franchisee also agrees to comply with GCF's standards and policies pertaining to Privacy Laws. If there is a conflict between GCF's standards and policies pertaining to Privacy Laws and actual applicable law, Franchisee will: (a) comply with the requirements of applicable law; (b) immediately give GCF written notice of said conflict; and (c) promptly and fully cooperate with GCF and GCF's counsel in determining the most effective way, if any, to meet GCF's standards

and policies pertaining to Privacy Laws within the bounds of applicable law. Franchisee agrees not to publish, disseminate, implement, revise, or rescind a data privacy policy without GCF's prior written consent as to said policy.

## 7. COVENANTS

### 7.1 Proprietary Material.

a. Restriction of Use of Proprietary Material. Franchisee acknowledges that much of the information and written materials provided by GCF to Franchisee is confidential information of GCF, constitutes trade secrets, and remains the sole and exclusive property of GCF. Confidential information includes: (1) methods of operation of GC Businesses; (2) information about products, services, or procedures before they become public knowledge; (3) other information disclosed to Franchisee through confidential notifications and the Brand Standards Manual. However, information known to the public or in the window fashions industry is not confidential; but if such knowledge results from disclosure by Franchisee, Franchisee will be liable for breach of this Franchise Agreement. Franchisee and each of Franchisee's principals, employees, or agents shall not, during the term of this Franchise Agreement, communicate, or divulge to, or use for the benefit of, any other person, persons, or entity any confidential information of GCF. Franchisee and each of Franchisee's principals shall divulge such confidential information only to Franchisee's employees and other personnel as must have access to it to assist in the Franchise operations. Neither Franchisee nor Franchisee's principals, employees, or other representatives shall, without GCF's prior written consent, copy, duplicate, record, or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person. The covenant in this Section shall survive the expiration or termination of this Franchise Agreement and shall be perpetually binding upon Franchisee and each of Franchisee's principals, employees, and other representatives.

b. Franchisee Personnel to Execute Covenants. At GCF's request, Franchisee shall require its sales personnel, assistants, and any other personnel of Franchisee and any persons having access to any confidential information of GCF to execute agreements that they will maintain the confidentiality of the information they receive with their relationship with Franchisee. Such covenants shall be in the form required by GCF in the Brand Standards Manual or otherwise in writing.

c. Disclosure of Confidential Information. Notwithstanding the foregoing, the restrictions on the disclosure and use of the confidential information will not apply to disclosure of confidential information: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; (ii) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; (iii) made in cases of suit for retaliation based on the reporting of a suspected violation of law, disclosure of confidential information to an attorney and for use of the confidential information in such court proceeding, so long as any document containing the confidential information is filed under seal and confidential information is not otherwise disclosed except pursuant to court order.

### 7.2 Covenants of Operation and Non-Competition.

a. Franchisee Covenants. During the term of this Franchise Agreement, Franchisee, Franchisee's principal owners, and any immediate family members of Franchisee or Franchisee's principal owners shall not, either directly or indirectly, for itself, or through, for, or with any person, persons or entity:

i. Divert Any Business. Divert or attempt to divert any business or customer of Franchisee, GCF, or any other Gotcha Covered franchise to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with GCF's Proprietary Marks and the System.

ii. Interest in Similar Business. Own, maintain, loan money to, perform services for, operate, engage in, or have any interest in any business which is the same as or similar to the Franchise or the System.

iii. Interference. Interfere in any way with operation of GCF or other GCF franchisee Franchises or the System.

b. Post Termination. For two (2) years after assignment, expiration, or termination of this Franchise Agreement; provided, however, that if a court of competent jurisdiction determines that the two-year post-term restricted period is too long to be enforceable, then, with respect to Franchisee, a period of one (1) year after the assignment, expiration or termination of this Franchise Agreement, except as otherwise approved in writing by GCF, Franchisee shall not, either directly, or indirectly, for itself, or through, for, or with any person, persons, or entity:

i. Divert Any Business. Solicit, divert or attempt to solicit or divert any business, business relationship, or customer of Franchisee, GCF, or any other Gotcha Covered franchisee to any competitor, by direct or indirect inducement, solicitation or otherwise.

ii. Interest in Similar Business. Own, maintain, operate, engage in, be employed by, or have any interest in any business which is the same as or similar to the GC Business or the System that is located within a twenty-five (25) mile radius of either Franchisee's GC Business (including the premises of Franchisee's GC Business) or any other GC Business that is operating or under development or construction.

c. Covenants Independent; Enforceability. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision. If all or any portion of a covenant in this Section 7.2 is held unreasonable or unenforceable by an arbitrator, a court or an agency having valid jurisdiction in an unappealed final decision to which GCF is a party, the court may reduce or otherwise modify the scope of the covenant to impose to the maximum restriction permitted by law.

d. Right to Reduce Scope. Franchisee understands and acknowledges that GCF has the right, in its sole discretion, to reduce the scope of any covenant set forth above, or any portion, without Franchisee's consent, effective immediately upon written notice to Franchisee.

e. Franchisee's Claims Not a Defense. Franchisee expressly agrees that the existence of any claims that Franchisee may have against GCF, whether or not arising from this Franchise Agreement, shall not constitute a defense to the enforcement by GCF of the covenants above.

f. Franchise to Obtain Execution of Covenants. At GCF's request, Franchisee shall require and obtain execution of covenants similar to those set forth in this Section (including covenants applicable upon the termination of a person's employment with Franchisee) from its employees, assistants and manager, and any other person who has received or will receive training from GCF. Such covenants shall be in the form required by GCF in the Brand Standards Manual, or otherwise in writing.

## 8. ACCOUNTING AND RECORDS

**8.1 Maintain Records Six Years.** During the term of this Franchise Agreement, Franchisee shall maintain and preserve, for at least six (6) years from their preparation, full, complete, and accurate books, records, and accounts under U.S. Generally Accepted Accounting Principles, and in the form and manner prescribed by GCF from time to time in the Brand Standards Manual, or otherwise in writing.

**8.2 Submission of Records and Information by Franchisee.** Franchisee shall submit to GCF a monthly sales report on the template provided by GCF and within the timeframes in the Brand Standards Manual (no later than the 5th day of the following calendar month, the monthly sales report must be submitted to reflect Gross Sales for the applicable month), which shall include the Gross Sales of the GC Business. "**Gross Sales**" means the total revenue derived from the sale of goods or services, whether or not sold or performed at or from the GC Business, and whether received in cash, check, credit card, coupon, in services in kind, from barter and/or exchange, on credit (whether or not payment is received) or otherwise, and including all proceeds from any business interruption insurance, less sales tax, discounts, allowances, and returns. Franchisee shall submit such other information including periodic royalty reports or data as GCF may require either in written or electronic format as established by GCF's policy from time to time, to expressly include (without limitation) tax returns, financial statements (including quarterly and annual profit and loss reports), and all necessary items to assure compliance (which may include bank statements). Franchisee shall provide to GCF cash receipt reports under the Brand Standards Manual or as otherwise instructed. GCF may charge Franchisee a $25 late fee if any report is not submitted to GCF within five (5) days of its due date and $25 per week until such report is turned in. If GCF requires any such reports to be submitted electronically and the software is not functioning or this feature is not available, Franchisee shall advise GCF of the same in writing and shall prepare and submit all such reports in the method designated by GCF.

**8.3 Franchisee to Submit Other Records.** Franchisee shall also submit to GCF, for review or auditing, such other forms, reports, records, information, and data as GCF may reasonably request, including but not limited to, Franchisee's income tax returns. Included in such obligation, but without limitation, within five (5) days of your receipt, you must provide us a copy of any legal notices, legal claims, legal demands, legal proceedings, legal actions, or other litigation, regulatory or administrative proceedings, or similar matters involving you or potentially relating to or relevant to us

**8.4 GCF's Right to Examine and Audit.** GCF or its designated agents shall have the right to examine the books, records, and tax returns of Franchisee or any affiliate of Franchisee involved in operations relating to or arising out of the franchised business. GCF shall also have the right during normal business hours, without prior notice, to have an independent audit made of the books of Franchisee.

**8.5 Electronic Bookkeeping/Payment System.** GCF reserves the right to require Franchisee to establish an electronic bookkeeping and payment system, including automatic electronic deposits, transfers, or payments, and credit card and/or debit card authorizations. GCF further reserves the right to require Franchisee to purchase any software necessary to implement any such GCF System.

## 9. TRANSFERABILITY OF INTEREST

**9.1 Transfer by GCF.** GCF shall have the right to transfer or assign all or any part of its rights or obligations to any person or legal entity.

**9.2 Transfer by Franchisee**.

a. Rights and Duties Personal to Franchisee. Franchisee understands and acknowledges that the rights and duties in this Franchise Agreement are personal to Franchisee, and that GCF has granted the Franchise in consideration of Franchisee's business skills and/or financial capacity. Neither this Franchise Agreement, the Franchise, all or any part of the ownership interest of Franchisee, nor all or any substantial portion of the assets of the Franchise, may be voluntarily, involuntarily, directly, or indirectly assigned or transferred, sold, gifted, exchanged, pledged, mortgaged, hypothecated, or otherwise encumbered by Franchisee (including, without limitation, by will, by declaration of or transfer in trust, or by the laws of intestate succession) without the prior written consent of GCF, which consent shall not be unreasonably withheld. Any purported assignment or transfer by operation of law (except in cases of Franchisee's death or Substantial Incapacity for the time period provided below) or otherwise, not having the written consent of GCF shall be null and void.

b. Conditions to Consent to Transfer. GCF shall not unreasonably withhold its consent to a transfer by Franchisee of this Franchise or any part of the ownership interest of Franchisee; provided, however, that prior to the transfer, the transferee qualifies and Franchisee and the transferee comply with all of GCF's transfer requirements:

i. Franchisee must not be in default under its Franchise Agreement and must have satisfied all of its accrued outstanding obligations to GCF and all other outstanding obligations related to the GC Business, including any amounts owed a promissory note.

ii. Except where prohibited by law, Franchisee must execute a general release, in form satisfactory to GCF, of any and all claims against GCF and its officers, directors, shareholders, employees and agents, in their corporate and individual capacities.

iii. The transferee must enter into a written assignment with Franchisee, in a form satisfactory to GCF, assuming and agreeing to discharge all of Franchisee's obligations under this Franchise Agreement, including but not limited to, warranty and guarantee work.

iv. The transferee (or if the transferee is a business entity, its officers, directors, shareholders, managers, members or partners, as required by GCF) must: meet GCF's educational, managerial, and business standards; possess good moral character, business reputation, and credit rating; have the aptitude and ability to conduct the GC Business (as evidenced by their prior related business experience or otherwise); and have adequate financial resources and capital to operate the GC Business.

v. The transferee must execute (and/or, upon GCF's request, cause any officers, directors, shareholders, managers, members, or partners that GCF requires to execute) the then-current standard franchise agreement and any ancillary agreements that GCF requires, including an Owners Agreement or other guarantees and including (unless excluded by applicable law) a general release. The transferee will not be required to pay the Initial Franchise Fee.

vi. Franchisee or the transferee pays a transfer fee to GCF of $15,000 plus any brokerage commissions, finder's fees, or similar charges GCF is required to pay to any third party that is not an affiliate of GCF. Franchisee must reimburse GCF for any expenses GCF incurs related to any transfer that is not completed. A non-refundable deposit of $1,000 is due at the time the transfer application is submitted to GCF and the remaining balance of the transfer fee is due upon the signing of the transfer documents. The transferee (or its Designated Owner, if transferee is an entity) and its manager, if applicable, must satisfactorily complete the Initial Training Program and Continuous Learning sessions and pay GCF's then-current transferee training fee for the programs, plus the then-current fee for training any additional people. Transferee must pay all of transferee's and its attendees' travel, food, and lodging expenses incurred in attending the training programs. Notwithstanding the foregoing, if the transferee is an existing Gotcha Covered franchisee who previously successfully completed the Initial Training Program and Continuous Learning sessions, GCF may (at its sole discretion) waive the transferee training fee and/or other training fees and the requirement that transferee complete the Initial Training Program and/or Continuous Learning sessions a second time.

**9.3 Transfer to a Franchise Entity.** If Franchisee is one or more individuals who wish to transfer the Franchise to a business entity for their convenience and without change of ownership exceeding five percent (5%), the transfer fee above shall not apply.

**9.4 Transfer upon Death or Substantial Incapacity.** If, upon the death or Substantial Incapacity (as defined below) of any person with a majority ownership interest in the Franchise, the executor, administrator, heir(s), committee, or other legally empowered personal representative of such person is unable to meet the conditions for transfer stated above, then such personal representative shall have a reasonable time to dispose of the interest of the deceased person or person under Substantial Incapacity in the Franchise, which disposition shall be subject to all the terms and conditions for transfers listed above. If a transfer is not completed 90 days from the date of death or incapacity, the Franchise may be terminated by GCF. A person shall be deemed to be under "**Substantial Incapacity**" when a qualified health care professional certifies in writing

that the patient is mentally or physically impaired to the extent that he or she is incapable of conducting his or her affairs for an indefinite, but not necessarily permanent, period of time.

**9.5 Non-Waiver of Claims.** GCF's consent to a transfer of any interest in the Franchise shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of GCF's right to demand exact compliance with the terms this Franchise Agreement by the transferee.

**9.6 Relocation.** Franchisee may relocate the Franchise to any available Area of Primary Responsibility without an additional fee, but only with the prior approval of GCF. Franchisee must be in full compliance with this Franchise Agreement as a condition of GCF's approval of Franchisee's relocation.

## 10. DEFAULT AND TERMINATION

**10.1 Termination by GCF Prior to Completion of the Initial Training Program.** GCF may, at its sole determination, terminate this Franchise Agreement for any reason at any time before Franchisee commences the Initial Training Program. In that event, GCF shall refund to Franchisee all monies received in payment of the Initial Franchise Fee, and all rights Franchisee may have under this Franchise Agreement will automatically terminate. GCF may terminate this Franchise Agreement after Franchisee commences the Initial Training Program under Section 4.a. above.

**10.2 Automatic Termination.** Franchisee shall be deemed in default under this Franchise Agreement, and all rights granted shall automatically terminate without notice to Franchisee, unless otherwise required by state law, if Franchisee becomes insolvent, makes a general assignment for the benefit of creditors, is adjudicated bankrupt, suffers temporary or permanent court appointed receivership of substantially all of its property, or suffers the filing of a voluntary or involuntary bankruptcy petition; or if Franchisee or any officer, director, manager, member or partner of Franchisee (as applicable) becomes subject to U.S. Executive Order 13224.

**10.3 Termination without Right to Cure.** Franchisee shall be deemed in default and GCF may, at its option, terminate this Franchise Agreement and all rights granted, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee, upon the occurrence of any of the following events:

a. Franchisee Ceases to do Business. Franchisee abandons the GC Business or otherwise ceases to do business without prior written permission from GCF.

b. Conviction of Felony Offense, etc. (i) Conviction of Franchisee of any felony offense or of any misdemeanor offense involving moral turpitude, or (ii) guilty plea by Franchisee (or, a plea of nolo contendere or similar plea) to any of the above-enumerated offenses, or (iii) other admission of guilt to any of such offenses.

c. Unauthorized Assignment. Franchisee transfers any rights or obligations under this Franchise Agreement to any third party without GCF's prior written consent, or without full compliance with the conditions for transfer stated above.

d. Failure to Comply with Covenants. Franchisee fails to comply with any of the covenants under Sections 6.1.b or 7 above.

e. Transfer not Consummated. An approved transfer is not consummated after Franchisee's death or Substantial Incapacity as required by Section 9.4.

f. Material Misrepresentation. Franchisee made any material misrepresentation on or for its application for the Franchise.

g. Improper Business Practices. GCF determines that Franchisee: engaged in an act of fraud regarding its rights or obligations under this Franchise Agreement; engaged in false marketing or otherwise made false or misleading statements concerning GCF or the System to the public or any other franchisees; failed to report, or intentionally underreported, sales or other financial information to GCF; failed to promptly provide, after a request from GCF, financial data and records specified in this Franchise Agreement; engaged in any act that (directly or indirectly) was, is or may be injurious or prejudicial to the goodwill associated with the Marks or the System; failed to comply with applicable laws, regulation, and ordinances; or failed to properly complete and service customer orders. Notwithstanding the language above, if Franchisee has made false or misleading statements to the public, any other franchisees, or franchise candidates, GCF may, at its sole option, allow Franchisee to cure that default by publicly retracting the false or misleading statements, in a manner acceptable to GCF, promptly and within the time specified by GCF.

h. Prior Notices of Default. Franchisee is in default as provided in Section 10.4 and has received one (1) or more prior notices of default under Section 10.4 for the same, similar, or different defaults, including failure to pay timely, during the preceding 12 months, even if cured.

**10.4 Franchisee's Right to Cure.** Franchisee shall have: (i) 10 days after receipt from GCF of a written notice of default as to any Monetary Default (as defined below), or (ii) 30 days after receipt of a written notice of default as to any Non-Monetary Default (as defined below), within which to remedy any of the defaults described in this Section 10.4 and to provide evidence thereof to GCF. Monetary Defaults and Non-Monetary Defaults are collectively referred to herein as "**Curable Defaults**," and specifically do not include the types of default described in Sections 10.2 and 10.3. If any Curable Default is not cured within the applicable time period (or such longer period as applicable law may require), this Franchise Agreement shall terminate without further notice to Franchisee effective immediately at the end of such applicable time period or such longer period as applicable law may require.

a. Monetary Defaults. "**Monetary Defaults**" are defined as the failure, refusal or neglect of Franchisee: (i) to promptly pay when due, in compliance with this Franchise Agreement and/or the Brand Standards Manual, any monies owing to GCF, its subsidiaries or affiliates, or to its vendors or suppliers, including under any promissory note; (ii) to submit the business and financial information required by GCF under this Franchise Agreement; or (iii) to provide required authorizations for automatic electronic deposits, transfers, or payments or required credit card charge or debit authorization for GCF payments.

b. Non-Monetary Defaults. "**Non-Monetary Defaults**" are defined as the failure, refusal, or neglect of Franchisee to comply with any provision of this Franchise Agreement other than the defaults in Sections 10.2 or 10.3 above and the Monetary Defaults.

**10.5 Modification by Law.** If any applicable law or rule requires an earlier notice of default or the termination of, or election not to renew, this Franchise Agreement, or taking some other action regarding such default, termination, or election not to renew than is required, then the requirements of such law or rule as to earlier notice or other action shall govern. Termination under this Section 10 shall not be deemed an election of remedies by GCF, and GCF may avail itself of any other remedies available to it under applicable law.

**10.6 Order Processing and Shipments.** If Franchisee is past due on any payments owed to GCF, GCF may at its option, stop processing Franchisee orders, stop shipments of orders to Franchisee, and take other actions as specified in Section 6.2 above, until Franchisee pays all past due amounts to GCF.

## 11. FRANCHISEE'S OBLIGATIONS UPON TERMINATION

**11.1 Upon Termination or Expiration.** Upon the expiration or termination of this Franchise Agreement for any reason, all rights granted to Franchisee under this Franchise Agreement shall immediately be void and of no further effect. Franchisee must comply with all of the following obligations, together with related procedures as set forth in the Operations Manual at the time of the termination:

a. Immediately Cease Operation. Immediately cease to operate the Franchise, and not, directly or indirectly, represent to the public, or hold itself out as a present or former franchisee of GCF.

b. Immediately Cease Using Marks and Return Branded Materials and Accounts. Immediately and permanently cease to use, by marketing or in any manner, confidential information, methods, procedures and techniques associated with the Franchise, and any Proprietary Marks and distinctive forms (including but not limited to the color combinations used by GCF at the time of this Franchise Agreement's termination or expiration, slogans, indoor and outdoor signs, symbols, or devices associated with the System). By way of confirmation, and as set forth additionally in the assignment accompanying this Franchise Agreement, the Franchisee agrees that marketing collateral, social media accounts, domains, and similar digital assets used in the franchised business are to remain owned by GCF, and Franchisee agrees that GCF shall have the right to all access credentials to such accounts and the right of return as to any physical items. All samples or other inventory must be returned to GCF by the Franchisee within ten (10) days of termination.

c. Action Required by Franchisee. Take such action to cancel or amend any assumed name or equivalent registration which contains the name "Gotcha Covered" or another Proprietary Mark to delete the reference to such name or mark, and furnish GCF with evidence satisfactory to GCF of such cancellation or amendment within 30 days after termination or expiration.

d. Promptly Pay All Sums Due. Promptly pay all sums owing to GCF and its subsidiaries and affiliates as of the date of termination. In the event of termination for any default of Franchisee, such sums shall include all damages, costs and expenses (including but not limited to reasonable attorney fees) incurred by GCF as a result of such default, which obligation shall give rise to and remain, until paid in full, a lien in favor of GCF against any and all of the machinery, fixtures, equipment, and inventory owned by Franchisee at the time of default that is being, or has been, used by or in connection with the Franchise. When these amounts are paid in full to GCF, Franchisee will have no further obligation to pay Royalty Fees and Marketing Fund Fees to GCF.

e. Pay All Damages Including Reasonable Attorney Fees. In addition to the amounts payable under the preceding subsection, pay to GCF all damages, costs and expenses (including but not limited to reasonable attorney fees) incurred by GCF in obtaining injunctive or other relief to enforce this Section 11.

f. Turn Over All Proprietary Materials. Immediately turn over to GCF the Brand Standards Manual, records, files, instructions, correspondence, all materials related to operating the Franchise including, without limitation, blank service orders, promotional materials, brochures, agreements, disclosure statements, and all copies (all of which are acknowledged to be GCF's property). Franchisee shall not retain a copy or record of the foregoing, excepting only Franchisee's copy of this Franchise Agreement and any correspondence between the parties.

g. Rights upon Expiration and Post-Termination Warranty Obligations. Franchisee must follow any procedures established by GCF to ensure the expiration of this Franchise Agreement or any successor term thereof creates the least disruption possible to the Franchise System, including those procedures set forth in the Brand Standards Manual. In particular, Franchisee shall remain responsible for all warranty claims of customers of the franchised business, and may coordinate with GCF pertaining to access to information or vendor/material orders. With respect to all warranty matters, in the event Franchisee fails to perform within a reasonable time, GCF may at its sole discretion intervene with any customer having a dispute or warranty claim and Franchisee agrees that any costs or expenses incurred as a result of such efforts to attain reasonable resolution shall be part of Franchisee's duty to indemnify and reimburse, with amounts added to other financial obligations upon which GCF has the right to collect or otherwise enforce.

h. Financing. If upon termination, GCF is the holder of any promissory note, or the holder of any personal property, security interest, chattel mortgage, debenture or mortgage of any nature whatsoever from Franchisee concerning assets used at any time by Franchisee in the GC Business or which are on the GC Business premises, such promissory note or security interest shall, upon the effective date of termination or expiration, immediately become fully due and payable as to all principal and interest so loaned and secured.

**11.2 GCF's Right of First Refusal.** Except for items that Franchisee is required to return to GCF upon expiration or termination of this Franchise Agreement, and for which Franchisee will receive no remuneration except if required by law, GCF shall have the right of first refusal, to be exercised after written notice by GCF to Franchisee within 30 days of the termination

or expiration of the Franchise, to purchase any or all of Franchisee's equipment, signs, promotional materials, supplies, and inventory at fair market value, or to the extent these items may be sold to a third party, at the contract price obtained by Franchisee in a bona-fide written offer from a third party. If GCF does not elect to exercise its right under this provision within the time period permitted, the right of first refusal shall expire. GCF's failure to exercise such right of first refusal shall not constitute waiver of any other provision of this Franchise Agreement including the requirements of this Section with respect to the termination. Fair market value will be determined by agreement by the parties, or if the parties cannot agree, by the average of three (3) independent appraisals (each party selects an appraiser and both appraisers shall select a third). If GCF exercises its right under this provision, GCF shall also have the right to set off all amounts due from Franchisee under this Franchise Agreement against any payment to Franchisee. GCF's rights herein are fully assignable by GCF.

## 12. TAXES, LAWS, PERMITS AND ACTIONS

**12.1 Franchisee Shall Pay Promptly.** Franchisee shall promptly pay when due all taxes levied or assessed by any federal, state, or local tax authority, and any and all indebtedness incurred by Franchisee in the conduct of the Franchise. Franchisee and GCF will each file its own tax, regulatory, and payroll reports, and will save and indemnify the other from any liability of any nature whatsoever by virtue thereof.

**12.2 Franchisee Shall Comply with All Laws.** Franchisee shall comply with all federal, state, and local laws, rules, and regulations (including but not limited to state and local laws and regulations), and shall timely obtain any and all certificates, licenses, and permits necessary for the operation of the Franchise, including, without limitation, certificate of occupancy, business license, fictitious name registration and sales tax permit.

**12.3 Notification to GCF.** Franchisee shall notify GCF in writing within five (5) days of the commencement of any action, suit, or proceeding and/or of the issuance of any order, writ, injunction, award or decree of any court, administrative body, or other governmental entity, which may adversely affect the operation or financial condition of the Franchise.

**12.4 Force Majeure**. No party shall be liable for any delay in the fulfilment of or failure to fulfil its obligations in whole or in part (other than the payment of money as may be owed by a party) under this Franchise Agreement where the delay or failure is solely due to Force Majeure. In the event of Force Majeure, the parties' obligations shall be extended or relieved only to the extent the parties are respectively necessarily prevented or delayed in such performance during the period of such Force Majeure. As used in this Franchise Agreement, the term "**Force Majeure**" shall mean any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), terrorist event, riot, epidemic, fire or other catastrophe, act of any government and any other similar cause which is beyond the party's control and cannot be overcome by use of normal commercial measures. Force Majeure should be construed narrowly and does not include general economic, market or societal conditions, or any changes thereto, even those that are the direct or indirect result of the Force Majeure event. So, for example, in the event of a temporary government-imposed closure of Franchisee's GC Business due to a Force Majeure event, Franchisee may only be relieved of its obligations as necessary to comply with the government mandate or order, but not due to the economic or market conditions that result from that action.

The party whose performance is affected by an event of Force Majeure shall give prompt notice of such Force Majeure event to the other party, which in no case shall be more than 48 hours after the event, setting forth the nature thereof and an estimate as to its duration, and the affected party shall furnish the other party with periodic reports regarding the progress of the Force Majeure event. Each party must use its best efforts to mitigate the effect of the event of Force Majeure upon its performance of the Agreement and to fulfill its obligations under the Franchise Agreement. Upon completion of the event of Force Majeure, the party affected must as soon as reasonably practicable recommence the performance of its obligations under this Franchise Agreement. However, in the event the Force Majeure continues for a period of six months or more, then the unaffected party may, at its option, terminate this Franchise Agreement by 30 days' written notice to the party asserting such Force Majeure. An event of Force Majeure does not relieve a party from liability for an obligation which arose before the occurrence of the Force Majeure event, nor does that event affect any obligation to pay money owed under the Franchise Agreement or to indemnify GCF, whether such obligation arose before or after the Force Majeure event. An event of Force Majeure shall not affect Franchisee's obligations to comply with any restrictive covenants in this Franchise Agreement during or after the Force Majeure event.

## 13. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

**13.1 Independent Contractor.** This Franchise Agreement does not create a fiduciary relationship between GCF and Franchisee. Franchisee is an independent contractor of GCF, and nothing in this Franchise Agreement is intended to constitute either party as agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose.

**13.2 Franchisee to Hold Itself Out as Independent Contractor.** During the term of this Franchise Agreement and any renewals, Franchisee shall hold itself out to the public as an independent contractor of GCF operating the business under a franchise from GCF. Franchisee agrees to take such affirmative action to do so. Franchisee will not hold itself out as GCF's agent, employee, partner or co-venturer. All employees or independent contractors hired by or working for Franchisee will be Franchisee's employees or independent contractors alone and will not, for any purpose, be deemed GCF's employees or subject to GCF's control. Upon GCF's request, Franchisee and each of its employees will sign an employment acknowledgment form within seven (7) days stating that Franchisee alone is the employer and operates the GC Business. Furthermore, Franchisee will use its legal name on all documents for use with its employees and contractors, including, but not limited to, employment applications, timecards, pay checks, and employment and independent contractor agreements, and Franchisee will not use the Proprietary Marks on these documents.

**13.3 Franchisee Not Authorized to Bind GCF**. Nothing in this Franchise Agreement authorizes Franchisee to create or assume in GCF's name or on GCF's behalf, any obligation, make any contract, agreement, warranty, or representation on GCF's behalf, or to incur any debt in GCF's name, express or implied, or to act or purport to act as GCF's agent or representative for any purpose whatsoever. In no event will GCF assume liability for, or be deemed liable as a result of any such unauthorized contract, agreement, warranty, or representation or as a result of any act or omission of Franchisee in its conduct of the Franchise, or by reason of any claim or judgment against GCF arising from any violation of this Franchise Agreement.

**13.4 Franchisee Indemnification of GCF.** Franchisee shall, at all times, indemnify exculpate, defend and hold GCF and GCF's shareholders, directors, officers, employees, agents, successors and assigns ("**Indemnitees**"), harmless, to the fullest extent permitted by law, from and against any and all claims, actions, damages, liability, and expenses, including the costs and expenses (including but not limited to attorneys', accountants', consultants', and experts' fees) of defending against such claims and actions, in connection with loss of life, personal injury, and/or damage to business or property arising directly or indirectly by reason of any act or omission with respect to the business or operation of the Franchise, whether grounded in contract or tort, including but not limited to the infringement, alleged infringement, or any other violation by Franchisee, its owners or principals of:

(a) any patent, mark, copyright, or other proprietary right owned or controlled by third parties due to Franchisee's unauthorized use of all or any portion of the Marks and/or Franchise System;

(b) violation, breach or asserted violation or breach of any federal state, or local law, regulation, ruling or industry standard;

(c) libel, slander or any other form of defamation;

(d) Franchisee's employment or other contractual relationship with Franchisee's employees, workers, managers, or independent contractors, including but not limited to any allegation or claim that GCF is an employer or joint employer of Franchisee's employees;

(e) Franchisee's breach of this Franchise Agreement, including, without limitation, those alleged to be or found to have been caused by the Indemnitees' negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by Indemnitees' gross negligence or willful misconduct in a final, un-appealable ruling issued by a court or arbitrator with competent jurisdiction; or

(f) any fees, costs, or liabilities incurred by GCF on Franchisee's behalf, including fees and costs incurred by GCF to recover amounts due to Franchisee on Franchisee's behalf.

## 14. NO WARRANTIES, GUARANTIES OR WAIVERS

**14.1 GCF Makes No Warranties or Guaranties.** GCF makes no warranties or guaranties upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent or suggestion to Franchisee in connection with this Franchise Agreement, or by reason of any neglect, delay or denial of any request therefore.

**14.2 No Waiver.** No failure of GCF to exercise any power reserved to it by this Franchise Agreement, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with any of the terms hereof, shall constitute a waiver of GCF's right to demand exact compliance with any of such

terms. Waiver by GCF of any particular default by Franchisee shall neither affect nor impair GCF's rights with respect to any subsequent default of the same, similar, or different nature. No delay, forbearance or omission (collectively, an "**Omission**") of GCF in exercising any power or right arising out of any of the terms, provisions, or covenants of this Franchise Agreement or out of any breach or default thereof by Franchisee shall affect or impair GCF's right to exercise the same, nor shall such Omission constitute a waiver by GCF of any right hereunder. Notwithstanding any such Omission, GCF shall retain the right subsequently to declare any breach or default and/or to terminate this Franchise Agreement prior to the expiration of its term. The acceptance by GCF of any payments due to it hereunder (whether partial or full payment) shall not be deemed to be a waiver by GCF of any preceding breach by Franchisee of any of the terms, covenants, or conditions of this Franchise Agreement.

## 15. NOTICES

All notices required or permitted under this Franchise Agreement shall be in writing and sent by facsimile; by email, with a "read-receipt;" by a national overnight courier service, with proof of delivery required; or by certified mail-return receipt requested with proper postage paid; to the respective parties at the addresses listed on the signature block of this Franchise Agreement (unless a different address has been designated by written notice to the other party). Notices shall be deemed given: (a) on the date of transmission as shown in a successful transmittal report if given by facsimile; (b) upon receipt, as indicated by a "read-receipt," if given by email; (c) one (1) day after deposit with an overnight courier (as specified above) with proper address and delivery charges paid; or (d) if given by certified mail, three (3) days after deposit with the U.S. Postal Service with proper address and postage paid. If delivery of any notice properly given under this provision is refused or delivery cannot otherwise be completed, the notice will be deemed delivered on the first attempted delivery.

## 16. ENTIRE AGREEMENT; MODIFICATIONS

This Franchise Agreement and the documents referred to herein constitute the entire, full and complete agreement between GCF and Franchisee concerning the subject matter hereof, and supersedes all prior agreements and representations. No representations, inducements, promises, or agreements, oral or otherwise, not embodied herein or attached hereto, were made by either party. No subsequent modification of this Franchise Agreement shall be binding on either party unless it is in writing and executed by the authorized representative of GCF and Franchisee. Franchisee acknowledges, however, that GCF may modify its standards and specifications set forth in the Brand Standards Manual unilaterally under any conditions and to the extent in which GCF, in its sole determination, deems necessary or desirable; provided that the modifications do not alter Franchisee's rights or obligations under this Franchise Agreement. Notwithstanding the language above, nothing in this Franchise Agreement or any related agreement between GCF and Franchisee is intended to disclaim the representations GCF made in the Franchise Disclosure Document GCF provided to Franchisee (or in the last Franchise Disclosure Document before this Franchise Agreement was signed by Franchisee, if more than one was provided by GCF).

## 17. SEVERABILITY AND CONSTRUCTION

**17.1 Each Portion Severable.** Except as expressly provided to the contrary herein, each portion, section, part, term, and/or provision (collectively "**Portion**") of this Franchise Agreement shall be considered severable; and if, for any reason, any such Portion is determined to be void, contrary to, and/or in conflict with, any existing or future law or regulation by a court of law, an administrative body of competent jurisdiction, or an arbitrator, such Portion shall not impair the operation of, or have any other effect on, such other Portions as may remain otherwise enforceable. Such enforceable Portions shall continue to be given full force and effect and bind the parties hereto, while the void portions shall be deemed not to be part of this Franchise Agreement.

**17.2 Rights Limited to Parties.** Anything to the contrary herein notwithstanding, nothing in this Franchise Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than GCF or Franchisee (and such of their respective representatives, successors and assigns as may be contemplated in this Franchise Agreement), any rights or remedies under or by reason of this Franchise Agreement.

**17.3 Franchisee Bound by Maximum Duty.** Franchisee expressly agrees to be bound by the maximum duty permitted or required by applicable law that is subsumed in any promise or covenant of this Franchise Agreement, as though it were separately articulated in and made a part of this Franchise Agreement. It is the strong intent of the parties that any reviewing court of law, administrative body of competent jurisdiction, or arbitrator, instead of canceling or invalidating this Franchise Agreement, modify this Franchise Agreement by striking any portion(s) it determines to be unreasonable or unenforceable and/or reducing the scope of any promise or covenant to the extent required to delineate the maximum duty, obligation, or restriction permitted by applicable law, or required by court order of final decision.

**17.4 Captions Solely for Convenience.** All captions in the Franchise Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning of construction of any provision.

**17.5 References.** All references to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgements, promises, covenants, agreements, and obligations made are undertaken by all of the signers of this Franchise Agreement for Franchisee.

**17.6 Duplicate Originals.** This Franchise Agreement shall be executed in duplicate, and each document so executed shall be deemed an original.

**17.7 Successors and Assigns.** All the terms and provisions of this Franchise Agreement will be binding upon and inure to the benefit of the successors and assigns of the parties. However, nothing in this paragraph may be construed as consent by GCF to the assignment or transfer of this Franchise Agreement or any rights by Franchisee.

**17.8 Covenant of Good Faith**. If applicable law implies a covenant of good faith and fair dealing in this Franchise Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Franchise

Agreement. Additionally, if applicable law shall imply the covenant, Franchisee agrees that: (i) this Franchise Agreement (and the relationship of the parties that is inherent in this Franchise Agreement) grants GCF the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with GCF's explicit rights and obligations under this Franchise Agreement that may affect favorably or adversely Franchisee's interests; (ii) GCF will use its judgment in exercising the discretion based on GCF's assessment of its own interests and balancing those interests against the interests of GCF's franchisees generally (including GCF and its affiliates if applicable), and specifically without considering Franchisee's individual interests or the individual interests of any other particular franchisee; (iii) GCF will have no liability to Franchisee for the exercise of its discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for GCF's judgment so exercised.

## 18. LEGAL MATTERS

**18.1 Governing Law.** Any claim or controversy arising out of or related to this Franchise Agreement shall be governed by and construed in accordance with the laws of the State of Utah, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act). In the event of any conflict of law, the laws of Utah will prevail, without regard to the application of Utah conflict of law rules. If, however, any provision of this Franchise Agreement would not be enforceable under the laws of Utah, and if Franchisee's GC Business is located outside of Utah and such provision would be enforceable under the laws of the state in which Franchisee's GC Business is located, then such provision will be interpreted and construed under the laws of that state. Nothing in this Section 18.1 is intended by the parties to subject this Franchise Agreement to any franchise or similar law, rule, or regulation of the State of Colorado to which it would not otherwise be subject. Notwithstanding anything in this Section 18.1 to the contrary, any promissory note or security agreement will be governed by the laws of the state in which the Franchisee's GC Business is located.

**18.2 Dispute Resolution.** Franchisee and GCF agree as follows:

### A. Intent, Meeting, and Mediation

You and we believe that it is important to resolve disputes amicably, quickly, cost-effectively, and professionally and return to business as soon as possible. You agree that you will communicate professionally with us and with our team at all times, including when communicating any dispute. You and we agree that the provisions of this Article support these mutual, practical business objectives, and, therefore, agree as follows:

a. All provisions of this Franchise Agreement (including the language of this Article) will be fully enforced, including those relating to arbitration, waiver of jury trial, limitation of damages, venue, choice of laws, and shortened periods in which to bring claims.

b. **All of the terms, covenants, and conditions of this Article, including the choice of law, choice of venue, and use of arbitration are mandatory and not permissive.**

c. The Parties rely on the federal preemption of state laws under the Federal Arbitration Act (9 U.S.C. §1 et seq.) (**FAA**) with the understanding that the FAA and not state law will control any matters concerning mediation and arbitration and, as a result, the provisions of this Franchise Agreement will be enforced only according to its terms and through the alternative dispute mechanism found in this Article. The Parties further agree that each Party intends that any state law attempting to prohibit arbitration or attempting to void out-of-state forums for arbitration are preempted by the Federal Arbitration Act and that arbitration will be held as provided in this Article.

d. Except as expressly provided in this Franchise Agreement, **EACH PARTY KNOWINGLY WAIVES ALL RIGHTS TO A COURT OR JURY TRIAL AND, INSTEAD, SELECTS FACE-TO-FACE MEETINGS, MEDIATION AND FINALLY BINDING ARBITRATION AS THE SOLE MEANS TO RESOLVE DISPUTES UNDERSTANDING THAT FACE-TO-FACE MEETINGS, MEDIATION AND ARBITRATION MAY BE LESS FORMAL THAN A COURT OR JURY TRIAL, MAY USE DIFFERENT RULES OF PROCEDURE AND EVIDENCE, THAT AN APPEAL PROCESS IS GENERALLY LESS AVAILABLE, AND THAT THE FEES AND COSTS ASSOCIATED WITH MEDIATION AND ARBITRATION MAY BE SUBSTANTIALLY GREATER THAN IN CIVIL LITIGATION.**

Initials as to the above three subsections:

_____

Initials of Franchisee

_____

Initials of Franchisee

_____

Initials of Franchisor

i. Notwithstanding the fact that a Party is or may become a party to a court action or special proceeding with a third party or otherwise, and whether or not such pending court action or special proceeding: (i) may include issues of law, fact, or otherwise that arise out of the same transaction (or series of related transactions) as any arbitrable matter between or involving the Parties; (ii) involves a possibility of conflicting rulings on issues of law, fact, or otherwise; and (iii) such pending court action or special proceeding may involve a third party who cannot be compelled to arbitrate the terms, covenants, and conditions of this Franchise Agreement, the Parties still agree any dispute between the Parties to this Franchise Agreement will be enforced according to the terms found herein, including the obligation to perform under this Article.

ii. Before arbitration, each Party agrees to adhere to the following procedure:

1. First, in the event of a disagreement between us, we agree to meet face-to-face within 30 days after one Party gives written notice to the other;

2. Second, if the issues between us cannot be so resolved, then the disagreement must be submitted to non-binding mediation before the Judicial Arbitration and Mediation Service (**JAMS**) or its successor (or an organization designated by JAMS or its successor). If JAMS is unable or unwilling to conduct such proceedings, and the Parties to the dispute cannot agree on an appropriate organization or person to conduct such proceedings, mediation will be heard by the American Arbitration Association. (**AAA**).

A. You and we will agree upon a single mediator. If we cannot agree upon the mediator, then the senior-most officer, director, or manager of the association under which the mediation is to take place will choose a neutral and disinterested mediator, and such choice will be final and binding.

B. Mediation must begin 30 days after the face-to-face meeting. Any Party may be represented by counsel and may bring persons appropriate to the proceeding with permission of the mediator.

C. Each Party will bear the Person's costs associated with attending mediation. Each Party will equally split the cost of the mediator.

3. If mediation does not resolve the matter, you and we agree that the disagreement will be submitted to and finally resolved by binding arbitration.

**B. Resolution under Arbitration**

a. Subject to the terms of this Article, Arbitration must begin by the earlier of 90 days after the end of mediation or the last day of the one year identified in this Article.

b. Arbitration will be held before and under the arbitration rules of JAMS or its successor (or an organization designated by JAMS or its successor). If JAMS is unable or unwilling to conduct such proceedings, and the Parties cannot agree on an appropriate organization or person to conduct such proceedings, the arbitration will be heard by a single arbitrator from the AAA. The arbitrator must be experienced in franchising. If the Parties cannot agree upon the arbitrator, the senior-most officer, director, or manager of the association under which the arbitration is to take place will choose a neutral and disinterested arbitrator, and such choice will be final and binding upon the Parties.

c. Any Party may be represented by counsel and may, with permission of the arbitrator, bring persons appropriate to the proceeding.

d. The arbitrator's judgment on any preliminary matter and the final arbitration award will be final and binding and may be entered in any court having jurisdiction.

i. The arbitrator's award will be in writing. On request by any party to the arbitration, the arbitrator will provide to all disputants a reasoned opinion with findings of fact and conclusions of law, and the Party so requesting will pay the arbitrator's fees and costs.

ii. There will be no right to appeal any preliminary finding or ruling, and there is no right to appeal the final award.

e. The Parties agree that they will equally split the fees paid to start arbitration and the fees paid to the arbitrator until the arbitrator awards fees and other costs to the Prevailing Party.

**C. Confidentiality:**

The Parties to any meeting, mediation, or arbitration will sign confidentiality agreements, excepting only public disclosures and filings as are required by law.

1. **Choice of Law, Venue and Jurisdiction**

a. Any meeting, mediation, or arbitration will be conducted exclusively at a neutral location within 15 miles of our then-current headquarters without regard to conflict of law provisions or *forum non-conveniens* demand to the contrary.

b. The arbitrator will apply all applicable laws and equity permitted under the laws of the state of Utah, without regard to conflicts of law provisions. Any dispute requiring resolution before a court shall be brought in the appropriate state or federal court situated in Utah County, Utah, or the most proximate thereto, with the parties hereby irrevocably consenting to the exclusive jurisdiction and venue therein.

c. The terms of this Section and the terms of this Article generally **are mandatory and not permissive** and will control any matters of jurisdiction, venue, and choice of law; and by initialing below, you and we have agreed to the mandatory terms of this Article generally and to the mandatory terms of this Section specifically.

Initials as to this entire Section

_____

Initials of Franchisee

_____

Initials of Franchisee

_____

Initials of Franchisor

**2. Scope, Discovery, other Procedural Matters, Fees, and Costs**

a. The arbitrator will decide any factual, procedural, or legal questions relating to the dispute, including any decision as to whether there is a franchise contract between the Parties; whether this Article is applicable and enforceable; and all other matters, including issues relating subject matter, timeliness, scope, remedies, unconscionability, and any alleged fraud in the inducement.

b. The Parties to the dispute have the same discovery rights as are available under the rules of the arbitration association hosting the arbitration.

c. Each participant must submit or file any claim which would constitute a "compulsory counter-claim" (as defined by the applicable rule under the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such compulsory counter-claim that is not submitted or filed in such proceeding will be forever barred.

d. The arbitrator may issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable, interim or final relief.

i. Each Party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction.

ii. The arbitrator has subpoena powers limited only by the laws of the state of Utah.

e. In addition to any other remedy, the arbitrator will award the "**Prevailing Party**" their costs, fees, reasonable attorney's fees, expert witness fees, and the like that Party expended in preparation for and the prosecution of the case at arbitration. The Prevailing Party will be the Party that has obtained the greatest "**net judgment**" in terms of money or money equivalent. If money or money equivalent has not been awarded, then the Prevailing Party will be that Party that has prevailed on a majority of the material issues decided. The "**net judgment**" is determined by subtracting the smallest award of money or money equivalent from the largest award. If there is a mixed decision involving an award of money or money equivalent and equitable relief, or if the arbitrator deems it to be in the best interest of justice, the arbitrator using their reasonable judgment, will award the above fees to the Party that it deems has prevailed over the other Party. This award applies to all matters decided by the arbitrator, including matters concerning misrepresentation or fraud.

**3. Disputes Not Subject to the Mediation or Arbitration**

a. Claims or disputes relating primarily to the Marks, to any intellectual property licensed to you, to any matter governed by the United States Trademark Act of 1946

(Lanham Act, 15 U.S.C. §§ 1051 et seq.), are subject to court proceedings in a court of competent jurisdiction. Only the portion of any claim or dispute identified in this Section is subject to court action, but only to the extent that such action is necessary to protect the Marks, the intellectual property, and any matters governed by the Lanham Act.

b. Matters relating solely to the collection of money by one Party against the other are not subject to a face-to-face meeting, mediation, or arbitration. Such matters include collection efforts against you or us solely for the failure to make timely payment of any amount due to the other. In such an event, such matter may be brought in a court of competent jurisdiction and venue. If, however, one Party to such action pleads another claim, cross-claim, counter-claim or affirmative defense based on anything other than the mere collection of money, or if the other Party alleges facts concerning fraud or any other equitable defense, then the entire matter, including the collection-of-money effort will be subject to the alternative dispute resolution procedures of this Article.

c. To the extent that either of us seeks injunctive relief before the face-to-face meeting or mediation, the same may be applied to a court of competent jurisdiction. The court will hear only the application for injunctive relief, and the mere fact that the court exercised jurisdiction in considering the injunction will not serve to eliminate the alternative dispute resolution requirements of this Article. If the temporary injunction is granted, then the Party that made the application must begin the alternative dispute resolution process under this Article.

**D. Other Matters**

We each understand and specifically agree that any matters concerning the relationship between us and any dispute arising, as a result, will be determined on an individual basis and will not be brought as a class action or with multiple unrelated franchisees (whether as a result of attempted consolidation, joinder, or otherwise). This is prudent from a business standpoint because (a) the mediation and arbitration procedures function most effectively on an individual case basis; (b) there are significant factors present in each individual franchisee's situation which should be respected; and (c) class-wide or multiple plaintiff disputes do not foster quick, amicable, and economic dispute resolutions.

**A. One Year Limitation of Action**

a. Except for an alleged violation of the Marks or any intellectual property licensed to you (which may be brought at any time), and except for the enforcement of our right to indemnification under Article 14 and subsection (c) just below, **YOU AND WE ARE LIMITED TO BRINGING ANY ARBITRATION AGAINST THE OTHER WITHIN ONE YEAR OF THE DATE THAT THE FACTS WHICH GIVE RISE TO THE CLAIM WERE DISCOVERED, OR ONE YEAR FROM THE DATE THAT SUCH FACTS REASONABLY SHOULD HAVE BEEN**

**DISCOVERED.** The one-year period begins to run and will not be tolled merely because the claiming party was unaware of legal theories, statutes, regulations, or case law upon which the claim might be based. If the Parties have begun mediation on the day that the one-year expires, then the one-year will be extended by 90 days from the unsuccessful end of mediation within which a Party must bring arbitration. If arbitration is not brought by 5:00 p.m. Mountain Time on the 90th day after mediation ends, then the right to bring arbitration expires, and the Parties will have no other opportunity to try, arbitrate or receive any other relief because of the action, matter, dispute, or disagreement underlying the claim.

b. Notwithstanding the foregoing, if any federal or state law provides for a shorter limitation period than is described in this Section, then such a shorter period will govern.

c. This Section will not apply to issues of indemnification, and such actions under the indemnification covenant may be brought within the period provided by any limitation-of-action statute under the laws of the state in which our headquarters is then located.

Initials as to this entire Section

_____

Initials of Franchisee

_____

Initials of Franchisee

_____

Initials of Franchisor

**F. Survival of Obligations**

Each provision of this Section 18.2 is self-executing and will continue in full force and effect after a Transfer, expiration, termination, rescission, or finding of unenforceability of this Agreement (or any part of it).

**18.3 Costs and Attorney Fees.** Franchisee shall pay all costs and expenses (including reasonable fees of attorneys and other engaged professionals) incurred by GCF in successfully enforcing this Franchise Agreement, issuing notices of default under the terms of this Franchise Agreement, or obtaining any remedy arising from the breach of this Franchise Agreement. Additionally, the prevailing party in any action arising out of, or related, to this Franchise Agreement (including an action to compel arbitration) is entitled to recover all of its costs and expenses incurred in the action, including reasonable accounting, expert witness, attorneys' and arbitrator's fees, and costs of collecting monies owed, in addition to all other amounts and damages awarded. If both parties are awarded a judgment in any dollar amount, the court or arbitrator, as

applicable, shall determine the prevailing party taking into consideration the merits of the claims asserted by each party, the amount of the judgment received by each party, and the relative equities between the parties.

**18.4 Injunctive Relief.** Notwithstanding the provisions of Sections 19.1 and 19.2 of this Franchise Agreement, GCF has the right to seek from an appropriate court any provisional remedies, including declaratory relief, specific performance, temporary restraining orders or preliminary injunctions and all other equitable relief that any court with jurisdiction may deem just and proper. GCF is not required to await the outcome of any informal dispute resolution, mediation or arbitration before seeking such remedies for actions brought with respect to: (i) threatened or actual conduct, acts or omissions that will cause us, the Marks or copyrights, and/or the System loss or damage; (ii) prohibiting any act or omission that Franchisee or Franchisee's employees that constitutes a violation of any applicable law or is dishonest or misleading to Franchisee's clients or to the public; (iii) issues concerning the alleged violations of federal or state antitrust laws; (iv) securing injunctive relief or specific performance; (v) the right to indemnification or the manner in which it is exercised; (vi) enforcing the obligations of Franchisee under Section 7 of this Franchise Agreement; (vii) Franchisee's failure to fully and strictly comply with Section 11 of this Franchise Agreement, which Franchisee acknowledges will result in irreparable injury to GCF for which there is no adequate remedy at law; and (viii) Franchisee's failure to follow any of the dispute resolution procedures set forth in Section 19 of this Franchise Agreement. Franchisee may seek injunctive relief for any violation by GCF of Section 19 of this Agreement. The parties agree that they may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity.

An action seeking provisional remedies will be brought in any state or federal court within the jurisdiction in which GCF then has its principal place of business (currently, Denver, Colorado); provided that GCF has the option to bring suit against Franchisee in any other state court or federal district court within the jurisdiction where Franchisee's GC Business is or was located or where any of Franchisee's owners lives. The parties consent to the exercise of personal jurisdiction over them by these courts, and to the propriety of venue in these courts for the purpose of this Section 18.4, and the parties waive any objections that they would otherwise have in this regard. The parties will not be required to post a bond or security to obtain the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Franchise Agreement and that the non-prevailing party's only remedy if an injunction is entered against such party will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby). The prevailing party shall be entitled to recover its costs and reasonable legal fees incurred by it in obtaining such relief. If the injunctive relief was wrongfully issued, the non-prevailing party expressly waives all claims for damages they incurred as a result of the wrongful issuance.

## 19. DISPUTE RESOLUTION

**19.1 Mediation.** Except as otherwise provided in this Franchise Agreement, any claim or controversy arising out of, or related to, this Franchise Agreement, or the making, performance, breach, interpretation, or termination thereof, will first be subject to non-binding mediation before the Judicial Arbiter Group ("**JAG**"), or if JAG ceases to exist, to the American Arbitration Association ("**AAA**"), unless the parties agree on another organization or mediator. The mediation proceedings shall take place in Denver, Colorado, or, if GCF's principal place of business has changed when mediation is sought, in the principal city of GCF's then-principal place of business. Mediation will not defer or suspend GCF's right to exercise any of GCF's termination rights under this Franchise Agreement. Mediation under this Section is not intended to alter or suspend the rights or obligations of the parties under this Franchise Agreement or to determine the validity or

effect of any provision of this Franchise Agreement, but is intended to furnish the parties an opportunity to resolve disputes amicably, expeditiously and in a cost-effective manner on mutually acceptable terms. The non-binding mediation provided for under this Franchise Agreement will be commenced by the party requesting mediation giving written notice of the request for mediation to the party with whom mediation is sought. The request will specify with reasonable particularity the matters for which non-binding mediation is sought. Non-binding mediation hereunder will be concluded within 60 days of the issuance of the request for mediation, or such longer period as may be agreed upon by the parties in writing ("**Mediation Termination Date**"). All aspects of the mediation process will be treated as confidential, will not be disclosed to others, and will not be offered or admissible in any other proceeding or legal action whatsoever. The parties will each bear their own costs of mediation, and will share equally in the cost of the mediator or mediation service.

**19.2 Binding Arbitration.** Except as otherwise provided in this Franchise Agreement, all disputes, controversies, claims, causes of action, and/or alleged breaches or failures to perform (collectively "**Disputes**") arising between the parties in connection with, or arising from, or with respect to: (1) any provision of this Franchise Agreement; (2) the relationship of the parties; (3) the validity of this Franchise Agreement, or any provision thereof; or (4) any specification, standard, or operating procedure relating to the establishment or operation of the GC Business; shall be submitted on demand of either party for arbitration in the principal city closest to GCF's principal place of business, currently the Utah County, Utah office of JAG, or if JAG ceases to exist, to the AAA, unless the parties agree on another organization or arbitrator. The arbitration proceedings shall be conducted in Utah County, Utah, will be heard by one (1) neutral arbitrator who is familiar with legal disputes of the type at issue and who has franchise business or contract experience, and except as otherwise provided in this Franchise Agreement, shall be conducted in accordance with the then-current rules of JAG for commercial arbitration, or the Commercial Arbitration Rules of the AAA (as applicable). If GCF's principal place of business has changed at the time that arbitration is sought, arbitration proceedings shall be conducted in the principal city closest to GCF's then principal place of business.

The arbitrator shall have the right to award or include in his or her award any relief which he or she deems proper in the circumstances, including without limitation, money damages (with interest on unpaid amounts from the Due Date), specific performance and injunctive relief (but not punitive or exemplary damages). The award and decision of the arbitrator shall be conclusive and binding upon all parties and judgment upon the award may be entered in any court of competent jurisdiction. This agreement to arbitrate shall continue in full force and effect subsequent to and notwithstanding the termination or expiration of this Franchise Agreement. The arbitrator's powers do not include the power to render an award that: (1) is based on errors of law or legal reasoning that would be grounds for reversal if made by a judge in a court; or (2) is based on evidence that would not satisfy the requirements of law in a civil trial to the court; or (3) grants relief prohibited by this Franchise Agreement or not made available under applicable law. Accordingly, the parties expressly agree that any award that is so based, in whole or in part, may be appealed to a Colorado court of competent jurisdiction, on grounds that the arbitrator exceeded its agreed powers, as though the award were a judgment in a civil "bench trial" to the court in a U.S. district court. GCF and Franchisee agree that arbitration will be conducted on an individual basis only. Except as required by applicable law, including the required disclosure in GCF's

franchise disclosure document, the entire arbitration proceedings and related documents are confidential.

No arbitration may be commenced on any claim which is subject to mediation prior to the Mediation Termination Date, whether or not the mediation has commenced. Neither party shall commence any arbitration with a third party against the other, or join with any third party in any arbitration involving GCF and Franchisee. Further, neither GCF nor Franchisee shall attempt to consolidate or otherwise combine in any manner an arbitration proceeding involving GCF and Franchisee with another arbitration of any kind, nor shall GCF or Franchisee attempt to certify a class or participate as a party in a class action against the other. Notwithstanding the foregoing, if Franchisee controls, is controlled by, or is in active concert with another franchisee of GCF, or there is a guarantor of some or all of Franchisee's obligations to GCF, then the joinder of those parties to any arbitration between GCF and Franchisee shall be permitted; and in all events, the joinder of an owner, director, officer, limited liability company member or manager, partner or other representative or agent of GCF or Franchisee shall be permitted.

In any arbitration arising out of or related to the Franchise Agreement, requests for documents: (1) shall be limited to documents which are directly relevant to Disputes or to the Disputes' outcome; (2) shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain; and (3) shall not include broad, boilerplate language, including, but not limited to requesting all documents "related to," any issue. In addition, there shall be production of electronic documents only from sources used in the ordinary course of business. Absent a showing of compelling need, no such documents are required to be produced from backup servers, tapes or other media. In addition, absent a showing of compelling need, the production of electronic documents shall normally be made on the basis of generally available technology in a searchable format which is usable by the party receiving the e-documents and convenient and economical for the producing party. Absent a showing of compelling need, the parties need not produce metadata, with the exception of header fields for email correspondence.

The parties acknowledge that nothing herein shall delay or otherwise limit GCF's rights and remedies under Section 10 of this Franchise Agreement. A notice or request for arbitration or mediation will not operate to stay, postpone, or rescind the effectiveness of any demand for performance or notice of termination under this Franchise Agreement.

a. **Violations.** If either party violates the terms of this Section 19, the other party shall be entitled to seek injunctive relief in a court of law of proper jurisdiction in accordance with Section 18.4 of this Franchise Agreement, and the prevailing party shall be awarded its costs and expenses, including reasonable attorney fees.

**19.4 Limitations.** Any claim or controversy arising out of or related to this Franchise Agreement, or the making, performance, breach, interpretation, or termination thereof, brought by any party hereto against the other, will be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action will be barred.

**19.5 JURY TRIAL & CLASS ACTION WAIVER**. THE PARTIES TO THIS FRANCHISE AGREEMENT HEREBY IRREVOCABLY WAIVE: (i) TRIAL BY JURY; (ii)

THE RIGHT TO ARBITRATE OR LITIGATE ON A CLASS ACTION BASIS IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THE PARTIES; AND (iii) ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER.

**19.6 Survival.** GCF and Franchisee agree that the provisions of this Section 19 shall apply during the term of this Franchise Agreement and following the termination, expiration, or non-renewal of this Franchise Agreement.

## 20. CAVEAT

The success of the business venture contemplated to be undertaken by Franchisee by this Franchise Agreement is speculative and depends, to a large extent, upon Franchisee's ability as an independent businessperson, Franchisee's active participation in the daily affairs of the business, and other factors. GCF makes no representation or warranty, express or implied, as to the potential success of the business venture contemplated.

## 21. SUBMISSION OF AGREEMENT

The submission of this Franchise Agreement to Franchisee does not constitute an offer and this Franchise Agreement is effective and binding only upon the execution by the President or other officer of GCF.

## 22. CROSS DEFAULT; CROSS TERMINATION

**22.1. Cross Default**. A default by Franchisee under this Franchise Agreement will be deemed a default of all agreements between Franchisee and GCF. A default by Franchisee under any other agreement between GCF and Franchisee will be deemed a default under this Franchise Agreement. A default by the guarantor(s) of this Franchise Agreement or any other agreement guarantee of contract will be deemed a default of this Franchise Agreement.

**22.2. Cross Termination.** If this Franchise Agreement is terminated because of a default by Franchisee, GCF may, at its option, elect to terminate any or all other agreements between Franchisee and GCF. If any other agreement between Franchisee and GCF is terminated because of a default by Franchisee, GCF may, at its option, elect to terminate this Franchise Agreement. It is agreed that an incurable or uncured default under this Franchise Agreement or any other agreement between Franchisee and GCF will be grounds for termination of this Franchise Agreement and/or any and all agreements between Franchisee and GCF, without additional notice or opportunity to cure.

## 23. ACKNOWLEDGEMENTS

A. FRANCHISEE ACKNOWLEDGES THAT: (1) FRANCHISEE OR ITS PRINCIPAL REPRESENTATIVE(S) ("**YOU**" OR "**YOUR**") HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE FRANCHISE AND HAS BEEN AFFORDED THE OPPORTUNITY TO ASK QUESTIONS AND REVIEW MATERIALS THAT YOU DEEM RELEVANT IN MAKING THE DECISION TO ENTER INTO THIS FRANCHISE

AGREEMENT AND ACQUIRE THE FRANCHISE; (2) YOU RECOGNIZE THAT THE BUSINESS VENTURE OF A GCF FRANCHISE INVOLVES BUSINESS RISKS; AND (3) THE SUCCESS OF THIS VENTURE, IF ANY, WILL BE LARGELY DEPENDENT UPON YOUR ABILITY AS AN INDEPENDENT BUSINESS PERSON. GCF EXPRESSLY DISCLAIMS THE MAKING OF, AND YOU ACKNOWLEDGE THAT YOU HAVE NOT RECEIVED, ANY WARRANTY, GUARANTEE, CLAIM OR OTHER REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS FRANCHISE AGREEMENT.

B. YOU ACKNOWLEDGE THAT YOU HAVE BEEN ADVISED TO RECEIVE ADVICE OF LEGAL COUNSEL AS TO ALL MATTERS RELATING TO THE DUE DILIGENCE REVIEW OF THE FRANCHISE, INCLUDING THE GCF FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT.

C. YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED, READ AND UNDERSTOOD THIS FRANCHISE AGREEMENT. GCF HAS ACCORDED YOU AMPLE TIME AND OPPORTUNITY TO CONSULT WITH FINANCIAL ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS FRANCHISE AGREEMENT. YOU FURTHER ACKNOWLEDGE THAT NOTHING IN THIS FRANCHISE AGREEMENT CREATES, OR SHALL BE DEEMED TO HAVE CREATED, A FIDUCIARY RELATIONSHIP BETWEEN GCF AND YOU.

D. YOU ACKNOWLEDGE THAT YOU ALONE WILL EXERCISE DAY-TO-DAY CONTROL OVER ALL OPERATIONS, ACTIVITIES AND ELEMENTS OF THE GC BUSINESS AND THAT UNDER NO CIRCUMSTANCES SHALL GCF DO SO OR BE DEEMED TO DO SO. YOU FURTHER ACKNOWLEDGE AND AGREE, AND WILL NEVER CONTEND OTHERWISE, THAT THE VARIOUS REQUIREMENTS, RESTRICTIONS, PROHIBITIONS, SPECIFICATIONS AND PROCEDURES OF THE FRANCHISE SYSTEM WHICH YOU ARE REQUIRED TO COMPLY WITH UNDER THIS FRANCHISE AGREEMENT, WHETHER SET FORTH IN THE BRAND STANDARDS MANUAL OR OTHERWISE, DO NOT DIRECTLY OR INDIRECTLY CONSTITUTE, SUGGEST, INFER OR IMPLY THAT GCF CONTROLS ANY ASPECT OR ELEMENT OF THE DAY-TO-DAY OPERATIONS OF THE GC BUSINESS, WHICH YOU ALONE CONTROL, BUT ONLY CONSTITUTE STANDARDS YOU MUST ADHERE TO WHEN EXERCISING YOUR CONTROL OF THE DAY-TO DAY OPERATIONS OF THE GC BUSINESS.

E. THIS FRANCHISE AGREEMENT SUPERSEDES ANY AND ALL OTHER AGREEMENTS AND REPRESENTATIONS RESPECTING THE FRANCHISE AND CONTAINS ALL OF THE TERMS AND CONDITIONS OF THE PARTIES WITH RESPECT TO THE GRANT OF THE FRANCHISE. NOTWITHSTANDING THE LANGUAGE ABOVE, NOTHING IN THIS FRANCHISE AGREEMENT OR ANY RELATED AGREEMENT BETWEEN GCF AND FRANCHISEE IS INTENDED TO DISCLAIM THE REPRESENTATIONS GCF MADE IN THE FRANCHISE DISCLOSURE DOCUMENT GCF PROVIDED TO FRANCHISEE (OR IN THE LAST FRANCHISE DISCLOSURE DOCUMENT BEFORE THIS FRANCHISE AGREEMENT WAS SIGNED BY FRANCHISEE, IF MORE THAN ONE WAS PROVIDED BY GCF), UNLESS FRANCHISEE VOLUNTARILY WAIVED ANY REPRESENTATIONS.

F. YOU REPRESENT THAT NEITHER FRANCHISEE NOR ANY OF ITS OFFICERS, DIRECTORS, MANAGERS, MEMBERS, OR PARTNERS (AS APPLICABLE) ARE SUBJECT TO U.S. EXECUTIVE ORDER 13224.

G. YOU AND EACH AND EVERY SIGNER OF THIS FRANCHISE AGREEMENT SEVERALLY REPRESENTS AND WARRANTS THAT YOU HAVE RECEIVED A COPY OF GCF'S FRANCHISE DISCLOSURE DOCUMENT AT THE EARLIER OF:

(1) FOURTEEN CALENDAR DAYS BEFORE THE SIGNING OF THIS FRANCHISE AGREEMENT; OR

(2) FOURTEEN CALENDAR DAYS BEFORE ANY PAYMENT TO GCF.

H. THIS FRANCHISE AGREEMENT MAY BE EXECUTED IN COUNTERPARTS AND, IF SIGNED BY ALL PARTIES ON SEPARATE DOCUMENTS, COPIES SHALL BE FULLY EXECUTED.

***(Signature page follows)***

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Franchise Agreement on the day and year written below.

Address for Notices pursuant to Section 15 of this Franchise Agreement:

GCF's Address:

761 W. 1200 N., Suite 300 Springville, UT 84663
Attn: President/COO

Franchisee's Address:

Signatures

**GOTCHA COVERED FRANCHISING, LLC**

By: _____

Title: _____

**FRANCHISEE:**

_____
[*Print Your Name*]

_____
Individually

_____
[*Print Your Name*]

_____
Individually

OR:
(if a corporation, partnership or limited liability company)

_____
Company Name

By: _____

Title: _____

Date: _____

**ATTACHMENT 1**

**FRANCHISE DATA SHEET**

1. The Effective Date set forth in the introductory paragraph of the Franchise Agreement is:

2. The Franchise Owner(s) set forth in the introductory paragraph of the Franchise Agreement is:

_____
_____,

a(n) individual(s)/business (circle one) with an address of:

_____
_____

3. Franchisee's Area of Primary Responsibility referred to in Section 1.3 of the Franchise Agreement is described as follows: _____
_____
_____
_____
_____
and includes approximately _____ households above $_____ in income.

4. The Initial Franchise Fee, referenced in Section 4(a) of the Agreement shall be:

☐ (**check as applicable**) $69,900

☐ (**check as applicable**) $63,410, Franchisee qualifies for the VetFran program discount as an honorably discharged United States veteran or their spouse.

☐ (**check as applicable**)

5. Financing. If the box below is checked, GCF has elected in its sole discretion to finance a portion of Franchisee's Initial Franchise Fee.

☐ (**check as applicable**) Financing for a portion of the Initial Franchise Fee has been approved by GCF. Franchisee and Franchise Owners shall execute a Promissory Note and Security Agreement, in the forms attached in the Franchise Disclosure Document.

**FRANCHISOR:** **FRANCHISEE:**

**GOTCHA COVERED FRANCHISING, LLC** _____

By: _____

Printed Name: _____

Title: _____

Date: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

**Bank Transfer Authorization Form**

**Please complete the following information to authorize payment of amounts owing for services rendered by payment with the bank account you put on file with us by submitting this form.**

I authorize Five Star Franchising LLC or the Five Star Franchising brands* to electronically debit my bank account according to the terms of my agreement. I acknowledge that electronic debits against my account must comply with United States law.

Bank account information:

_____ _____

Bank routing number Account number

Account type: Business__or Personal . Checking__or Savings_____

Your signature allows Five Star Franchising LLC or the Five Star Franchising brands* to process payment for the contracted amount each month and/or week for online marketing, call center, royalties, or other contracted services beginning immediately.

Signature: _____Date: _____

Name: _____

Phone number:_____

*The Five Star Franchising brands comprise Five Star Franchising, L.L.C.; 1800Packouts Franchise, LLC; CMY FRANCHISING, LLC; Ringside Development Company d/b/a Bio-One, Inc.; Five Star Bath, L.L.C.; Gotcha Covered Franchising, LLC; and Mosquito Shield Franchising, LLC.

**ATTACHMENT 2**

**OWNERS AGREEMENT**

As a condition to the execution by Gotcha Covered Franchising, LLC ("we" or "us"), of a Franchise Agreement with _____ ("Franchisee"), each of the undersigned individuals ("Owners"), who constitute all of the owners of a direct or indirect beneficial interest in Franchisee covenant and agree to be bound by this Owners Agreement ("Owners Agreement").

**1. Acknowledgments.**

1.1 Franchise Agreement. Franchisee entered into a franchise agreement with us effective as of _____ ("Franchise Agreement"). Capitalized words not defined in this Owners Agreement will have the same meanings ascribed to them in the Franchise Agreement.

1.2 Role of Owners. Owners are the beneficial owners of all of the direct and indirect equity interest, membership interest, or other equity controlling interest in Franchisee and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives and assigns. Franchisee's obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee's direct and indirect owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owners Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Owners Agreement.

**2. Non-Disclosure and Protection of Confidential Information.**

2.1 Confidentiality. Under the Franchise Agreement, we will provide Franchisee with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Franchise Agreement governing Franchisee's non-disclosure obligations relating to our Confidential Information are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with each obligation as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data, which we designate as confidential, will also be deemed Confidential Information for purposes of this Owners Agreement.

2.2 Immediate Family Members. Owners acknowledge that they could circumvent the purpose of Section 2.1 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). Owners also acknowledge that it would be difficult for us to prove whether Owners disclosed the Confidential Information to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 2.1 if any member of his or her immediate family uses or discloses the Confidential

Information or engages in any activities that would constitute a violation of the covenants listed in Section 3, below, if performed by Owners. However, Owners may rebut this presumption by furnishing evidence conclusively showing that Owners did not disclose the Confidential Information to the family member.

**3. Covenant Not to Compete.**

3.1 Non-Competition During and After the Term of the Franchise Agreement. Owners acknowledge that as a participant in our system, they will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which we have developed. The provisions of the Franchise Agreement governing Franchisee's restrictions on competition both during the term of the Franchise Agreement and following the expiration or termination of the Franchise Agreement are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement.

3.2 Construction of Covenants. The parties agree that each such covenant related to non-competition will be construed as independent of any other covenant or provision of this Owners Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 3.

3.3 Our Right to Reduce Scope of Covenants. Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Owners Agreement, without Owners' consent (before or after any dispute arises), effective when we give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified.

**4. Guarantee.**

4.1 Payment. Owners will pay us (or cause us to be paid) all monies payable by Franchisee under the Franchise Agreement on the dates and in the manner required for payment in the relevant agreement.

4.2 Performance. Owners unconditionally guarantee full performance and discharge by Franchisee of all of Franchisee's obligations under the Franchise Agreement on the date and times and in the manner required in the relevant agreement.

4.3 Indemnification. Owners will indemnify, defend and hold harmless us, all of our affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

4.4 No Exhaustion of Remedies. Owners acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Owners Agreement, and the enforcement of such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.

4.5 Waiver of Notice. Without affecting Owners' obligations under this Section 4, we can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or compromise any claims against Franchisee, all without notice to the Owners. Owners waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

4.6 Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death; and the obligations of any other Owners will continue in full force and effect.

## 5. Transfers.

Owners acknowledge and agree that we have granted the Franchise Agreement to Franchisee in reliance on Owners' business experience, skill, financial resources and personal character. Accordingly, Owners agree: a) not to sell, encumber, assign, transfer, convey, pledge, merge or give away any direct or indirect interest in this Franchisee, unless Owners first comply with the sections in the Franchise Agreement regarding transfer and assignment, and b) that any attempt to do so will be a material breach of this Owners Agreement and the Franchise Agreement.

## 6. Notices.

6.1 Method of Notice. Any notices given under this Owners Agreement shall be in writing and delivered in accordance with the provisions of the Franchise Agreement.

6.2 Notice Addresses. Our current address for all communications under this Owners Agreement is:

Gotcha Covered Franchising, LLC
761 W. 1200 N., Suite 300
Springville, UT 84663
Attn: President/COO

The current address of each Owner for all communications under this Owners Agreement is designated on the signature page of this Owners Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.

## 7. Enforcement of This Owners Agreement.

7.1 Dispute Resolution. Any claim or dispute arising out of or relating to this Owners Agreement shall be subject to the dispute resolution provisions of the Franchise Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Owners Agreement.

7.2 Choice of Law; Jurisdiction and Venue. This Owners Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Owners Agreement, and any other claim or controversy between the parties, will be governed by the choice of law and jurisdiction and venue provisions of the Franchise Agreement.

7.3 Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce Owners' obligations under this Owners Agreement. Owners acknowledge and agree that there is no adequate remedy at law for Owners' failure to fully comply with the requirements of this Owners Agreement. Owners further acknowledge and agree that, in the event of any noncompliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper. If injunctive relief is granted, Owners' only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Owners expressly waive all claims for damages they incurred as a result of the wrongful issuance.

## 8. Miscellaneous.

8.1 No Other Agreements. This Owners Agreement constitutes the entire, full and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Owners Agreement, other than those in this Owners Agreement. No other obligations, restrictions or duties that contradict or are inconsistent with the express terms of this Owners Agreement may be implied into this Owners Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Owners Agreement), no amendment, change or variance from this Owners Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

8.2 Severability. Each provision of this Owners Agreement, and any portions thereof, will be considered severable. If any provision of this Owners Agreement or the application of any provision to any person, property or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Owners Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent as much as possible with the original intent of the parties (i.e. to provide maximum protection for us and to effectuate the Owners' obligations under the Franchise Agreement), and the parties agree to be bound by the modified provisions.

8.3 No Third-Party Beneficiaries. Nothing in this Owners Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors and assigns) any rights or remedies under or by reason of this Owners Agreement.

8.4 Construction. Any term defined in the Franchise Agreement which is not defined in this Owners Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Owners Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Owners Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation

8.5 Binding Effect. This Owners Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Owners Agreement is binding on the parties

and their respective heirs, executors, administrators, personal representatives, successors and (permitted) assigns.

8.6 Successors. References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns or transferees.

8.7 Non-waiver. Our failure to insist upon strict compliance with any provision of this Owners Agreement shall not be a waiver of our right to do so. Delay or omission by us respecting any breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Owners Agreement shall be cumulative.

8.8 No Personal Liability. You agree that fulfillment of any and all of our obligations written in the Franchise Agreement or this Owners Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

8.9 Owners Agreement Controls. In the event of any discrepancy between this Owners Agreement and the Franchise Agreement, this Owners Agreement shall control.

***(Signatures on following page)***

IN WITNESS WHEREOF, the parties have entered into this Owners Agreement as of the effective date of the Franchise Agreement.

**OWNERS:**

_____
[Insert Name of Owner]

_____
[Insert Name of Owner]

_____
[Insert Name of Owner]

_____
[Insert Name of Owner]

Gotcha Covered Franchising, LLC hereby accepts the agreements of the Owner(s) hereunder.

**GOTCHA COVERED FRANCHISING, LLC**

By: _____

Title: _____

**ATTACHMENT 3**

## STATEMENT OF OWNERSHIP

**Franchisee:** _____

**Trade Name** (if different from above): _____

_____

**Form of Ownership**
**(Check One)**

____ **Individual** ____ **Partnership** ____ **Corporation** ____ **Limited Liability Company**

If a **Partnership**, provide name and address of each partner showing age owned, whether active in management, and indicate the state in which the partnership was formed.

If a **Corporation**, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

If a **Limited Liability Company**, give the state and date of formation, the name of the manager(s), and list the names and addresses of every member and the percentage of membership interest held by each member.

State and Date of Formation: _____

_____

Management (managers, officers, board of directors, etc.):

| Name | Title |
|---|---|
| | |
| | |
| | |
| | |

Members, Stockholders, Partners*:

| Name | Address | Percentage of Stock |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

*If any members, stockholders, or partners are entities, please list the owners of such entities up through the individuals.

Use additional sheets if necessary. Any and all changes to the above information must be reported to GCF in writing.

***(Signatures on following page)***

**FRANCHISEE:**

_____

By: _____

Printed Name: _____

Title: _____

**ATTACHMENT 4**

**ADDENDUM TO FRANCHISE AGREEMENT**

**SOFTWARE LICENSE AGREEMENT**

**THIS SOFTWARE LICENSE AGREEMENT** ("**Agreement**") is made and entered into this _____, by and between **GOTCHA COVERED FRANCHISING, LLC,** a Colorado limited liability company, with its principal office at 303 S. Broadway, Suite 200-153 Denver, CO 80209 ("**GCF**"); and _____, whose principal address is _____ ("**Licensee**"), and the officers, directors, shareholders, managers, members, partners, employees (as applicable) of Licensee listed on Exhibit A (collectively, the "**Licensee Affiliates**") which is incorporated into this Agreement by this reference.

3. **Background.** GCF and Licensee have entered into a Gotcha Covered Franchising, LLC Franchise Agreement to which this Agreement is attached as Attachment 4 ("**Franchise Agreement**") for the Gotcha Covered franchise ("**Gotcha Covered Business**") located at _____ ("**Franchise Location**"). GCF desires to license, or if applicable, sublicense, to Licensee certain proprietary software, including any modifications or revisions of the programs, for use in the operation of the Gotcha Covered Business; all documentation (other than the proprietary software) related to the proprietary software; and the tangible media upon which such programs are recorded and the database file structure thereof (the proprietary software, documentation and media are collectively referred to as the "**Program**"). Licensee desires to obtain a license, or if applicable, a sublicense, to use the Program, subject to the terms and conditions contained in this Agreement. The license or sublicense granted to Licensee may be referred to below in either case as the "license."

4. **Binding Effect**. Licensee and GCF agree to be bound by the terms of this Agreement, and the Licensee Affiliates are bound upon signing Exhibit A. This Agreement is also binding on the successors, assigns, heirs, and personal representatives of the parties (as applicable).

5. **Grant of Sublicense and Engagement.** Subject to the terms and conditions of this Agreement, GCF grants to Licensee a non-exclusive, nontransferable license to use the Program for the term of this Agreement. The parties agree as follows:

9. To participate in this Agreement, Licensee must be in "good standing" with GCF. Good standing requires Licensee to be current with, and not otherwise in breach of, any of Licensee's obligations or payments under the Franchise Agreement, or any other contract or agreement with GCF. GCF shall, in its sole discretion, determine whether Licensee is in good standing.

10. The Program shall be installed only on the computer equipment owned by, and used in conjunction with, the Gotcha Covered Business ("**Designated Equipment**").

11. Except with the prior written consent of GCF, the Program shall not be: (i) operated by entities or persons other than Licensee and the Licensee Affiliates; (ii) operated on more than one (1) computer at a time; (iii) operated on equipment other than the Designated Equipment; or (iv) operated at locations other than the Franchise Location or at the homes and businesses of customers of the Gotcha Covered Business.

12. The Program shall be used only in conjunction with the operation of the Gotcha Covered Business and must not be used for any other purpose or business.

13. Licensee shall not, and shall not allow the Licensee Affiliates or any other employees, agents or representatives of Licensee to: (i) sell, assign, lease, license, sublicense, market, or commercially exploit in any way, the Program, any component of it, or any data generated by the use of the Program; (ii) disclose or grant access to the Program, any component of it, or any data generated by the use of the Program, to any third party other than one whom GCF has approved in writing and who has agreed in writing with Licensee and GCF to keep the Program confidential; or (iii) copy or reproduce the Program, any component thereof, or any data generated by the use of the Program, in any manner; provided that Licensee may use the data generated by the Program to the extent reasonably necessary to comply with local, state, and federal law and for usual and customary business purposes.

14. Licensee and the Licensee Affiliates shall keep the Program and any data generated by the use of the Program confidential during and after the term of this Agreement, and shall establish and maintain such security precautions as are prescribed by GCF from time to time to maintain the secrecy of the Program and any data generated by the use of the Program, and to prevent the unauthorized access to or use, disclosure or copying of the Program or any data generated by the use of the Program. Licensee shall immediately inform GCF in writing if any Licensee Affiliate or any other employee, agent or representative of Licensee violates the terms and conditions of this Section, or if Licensee learns of any actual or possible unauthorized disclosure of the Program or any data generated by the use of the Program, such as the loss or theft of any tangible medium (such as a CD-ROM), documentation or other component.

15. Licensee and the Licensee Affiliates acknowledge and agree that: (1) the Program and any data generated by the use of the Program is the valuable proprietary property and trade secret of GCF; (2) they shall use the utmost care to safeguard the Program and any data generated by the use of the Program and to maintain its secrecy and confidentiality; (3) they shall not undertake to patent, copyright, or otherwise assert proprietary rights to the Program and any data generated by the use of the Program or any portion of it; and (4) they shall not create any derivative works based on the software without the prior written consent of GCF.

16. Licensee and the Licensee Affiliates recognize that all or part of the Program and any data generated by the use of the Program may be copyrighted by GCF and its affiliates, and they agree that distribution of the Program to Licensees and third parties shall not be construed as causing the copyrighted material to be public information.

17. Licensee and the Licensee Affiliates shall ensure that any copies of the Program and any data generated by the use of the Program or any components of it in their possession contain a copyright notice or other notice of proprietary rights specified by GCF.

18. The grant of this License to Licensee is not a sale by GCF of the Program.

19. Licensee and the Licensee Affiliates shall not modify, adapt, translate, reverse engineer, decompile or disassemble the Program in any way without the prior written consent of GCF.

20. GCF and its affiliates shall have the right to use any ideas and suggestions for modifications to or enhancements of the Program developed by Licensee or the Licensee Affiliates.

21. Licensee and the Licensee Affiliates acknowledge and agree that any breach or threatened breach by Licensee of the provisions of this Section 3 would cause GCF irreparable injury for which GCF would have no adequate remedy at law and that, in addition to any other remedies which it may have, GCF shall be entitled to preliminary and permanent injunctive relief against any such breach or threatened breach.

22. Upon expiration or termination of this Agreement or the Franchise Agreement, Licensee and the Licensee Affiliates shall immediately: (1) cease further use of the Program; (2) allow GCF's employees or agents to remove the Program from the Designated Equipment, return the Program and any data generated by the use of the Program to GCF, and destroy any and all copies of the Program or parts of it, documentation for the Program and any data generated by the use of the Program, and other materials or information which relate to or reveal the Program and its operation and any data generated by the use of the Program. In addition, GCF may cease performance of all of its obligations under this Agreement without liability of GCF to Licensee or the Licensee Affiliates.

6. **Upgrades and New Programs.** During the term of the Franchise Agreement, and provided that Licensee and the Licensee Affiliates are in substantial compliance with the terms of this Agreement, GCF shall offer and/or provide to Licensee enhancement and maintenance upgrades of the Program, if they are to be provided in accordance with the terms of the Franchise Agreement.

7. **Term.** Subject to earlier termination in accordance with the terms of this Agreement or the Franchise Agreement, the term of this Agreement and the license granted under it shall commence on the date of full execution of the Franchise Agreement and shall extend through the term of the Franchise Agreement.

8. **Taxes.** Licensee shall pay when due any and all sales, license, transaction, property, or other federal, state, or local taxes, however designated, which are levied or imposed by reason of the transaction contemplated by this Agreement.

9. **Alteration and Attachments.** If the attachment of unauthorized equipment to, or the alteration of, any Designated Equipment or software directly or indirectly causes a malfunction of the Program, GCF shall be relieved of any warranty obligations for all affected Designated Equipment or software. Licensee shall give GCF prior written notice of any such alteration or attachment. If any such alteration or attachment is made, GCF shall not be responsible for: (i) any malfunction, nonperformance or degradation of any Designated Equipment or software, consumable supplies or maintenance/diagnostic aids; or (ii) injury to person or damage to any property, caused by or resulting directly or indirectly from such alteration or attachment.

10. **Use of License.** GCF represents and warrants to Licensee that: (a) GCF has all right, title, license and authorization to license the Program to Licensee; and (b) the Program does not, and as a result of any upgrades the Program will not, to the best of GCF's knowledge, infringe upon any United States patent, copyright, or other proprietary right of any third party. If Licensee's use of the Program as provided by GCF is enjoined as a result of a claim by a third party of patent or copyright infringement or violation of proprietary rights, then GCF shall use its best efforts, in its sole discretion, to either (i) procure for Licensee the right to continue use of the Program as contemplated under this Agreement; or (ii) replace the Program or modify it such that there is no infringement of the third party's rights. This action by GCF shall be GCF's sole and exclusive obligation to Licensee with respect thereto, and GCF shall have no further liability to Licensee. The term "best efforts" as used in this Section shall not be construed to include expenditures of money by GCF.

11. **Warranties and Limitations on Liability.** GCF does not make any representations or warranties to Licensee, and expressly disclaims any warranty, that the Program is error free or that the operation and use of the Program by Licensee will be uninterrupted or error free.

EXCEPT AS MAY BE REQUIRED BY APPLICABLE LAW, GCF DOES NOT MAKE ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHETHER EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, AND ALL SUCH WARRANTIES ARE EXPRESSLY EXCLUDED.

IN NO EVENT SHALL GCF HAVE ANY LIABILITY TO LICENSEE FOR: (1) INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF USE, REVENUE OR PROFIT; (2) DAMAGES CAUSED BY LICENSEE'S FAILURE TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT; OR (3) CLAIMS, DEMANDS OR ACTIONS AGAINST LICENSEE BY ANY THIRD PARTY.

12. **Indemnification.** Licensee and the Licensee Affiliates agree to indemnify and hold GCF and its affiliates, and their shareholders, officers, directors, employees, and agents (collectively, the "**Indemnified Parties**") harmless from and against any and all loss, cost, damage, liability and expense (including, without limitation, reasonable attorneys' fees, court costs and other reasonable costs and expenses) that may be suffered, sustained, or incurred by any one or more of the Indemnified Parties as a result of, arising out of, or in connection with: (a) Licensee's or any of the Licensee Affiliates' breach of any of its obligations under this Agreement,

and (b) any and all negligent acts or omissions of Licensee or any of its owners, officers, directors, employees, or agents.

13. **Transfer by Licensee.** Licensee may transfer Licensee's rights under this Agreement only in conjunction with a transfer of the Franchise Agreement approved by GCF and with the written consent of GCF.

14. **Termination.** The License granted to Licensee under this Agreement shall terminate at GCF's option, upon the occurrence of any of the following events:

8. Immediately upon delivery to Licensee of written notice of termination if Licensee or any of the Licensee Affiliates have violated any provision of this Agreement.

9. Immediately and without notice if Licensee (or a transferee of the License Agreement approved by GCF) ceases to have the right to operate the Gotcha Covered Business pursuant to the Franchise Agreement or any other agreement.

10. Immediately and without notice if Licensee sells, assigns or transfers, directly or indirectly: (i) Licensee's rights under this Agreement; (ii) a controlling interest in the ownership of Licensee; or (iii) substantially all of the assets of the Gotcha Covered Business; if such sale, assignment or transfer has not been approved in advance in writing by GCF. "**Controlling interest**" means twenty-five percent (25%) or more of the equity or voting control of Licensee.

15. **Effect of Termination.** Immediately upon the termination of this Agreement and the License granted herein, all rights granted to Licensee and the Licensee Affiliates under this Agreement shall revert to GCF, and Licensee and the Licensee Affiliates shall be deemed to have assigned, transferred, or conveyed to GCF any and all equities or other rights of the Licensee under this Agreement.

16. **Survival of Obligations.** The obligations of Licensee under Section 3(b) through (n) shall survive the termination of this Agreement.

17. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Utah.

18. **Liability for Breach.** In the event of any default on the part of either party of this Agreement, in addition to all other remedies, the party(ies) in default will pay the aggrieved party(ies) all amounts due and all damages, costs, and expenses, including reasonable attorneys' fees, incurred by the aggrieved party(ies) in any legal action or proceeding as a result of such default, plus interest at the highest rate allowable by law accruing from the date of such default.

19. **Jurisdiction and Venue.** If a claim arising out of, or in conjunction with this Agreement is asserted in any legal proceeding, Licensee, the Licensee Affiliates, and GCF irrevocably submit to the jurisdiction of the state and federal courts situated in Utah County, Utah, or if none, most proximate thereto. Both parties waive any objection to the jurisdiction of these courts or to venue in those locations. Notwithstanding the foregoing, if the laws of the state where

the Licensee resides or the Franchise Location is located prohibit the aforesaid designation of jurisdiction and venue, then that other jurisdiction's laws shall control.

20. **No Waiver.** No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by GCF shall be considered to imply or constitute a further waiver by GCF of the same or any other condition, covenant, right, or remedy.

21. **Notices**. All notices required or permitted under this Agreement shall be in writing and sent by facsimile; by email, with a "read-receipt"; by a national overnight courier service, with proof of delivery required; or by Certified Mail-Return Receipt Requested with proper postage paid; to the respective parties at the addresses above or on Exhibit A, as applicable (unless and until a different address has been designated by written notice to the other party). Notices shall be deemed given: on the date of transmission as shown in a successful transmittal report if given by facsimile; upon receipt, as indicated by a "read-receipt," if given by email; one (1) day after deposit with an overnight courier (as specified above) with proper address and delivery charges paid; or if given by Certified Mail, three (3) days after deposit with the U.S. Postal Service with proper address and postage paid.

**22. Cross Default; Cross Termination.**

a. A default by Licensee under this Agreement will be deemed a default of all agreements between Licensee and GCF (or any of its affiliates). A default by Licensee under any other agreement between GCF (or any of its affiliates) and Licensee will be deemed a default under this Agreement.

b. If this Agreement is terminated as a result of a default by Licensee, GCF may, at its option, elect to terminate any or all other agreements between Licensee and GCF. If any other agreement between Licensee and GCF is terminated as a result of a default by Licensee, GCF may, at its option, elect to terminate this Agreement. It is agreed that an incurable or uncured default under this Agreement or any other agreement between Licensee and GCF will be grounds for termination of this Agreement and/or any and all agreements between Licensee and GCF, without additional notice or opportunity to cure.

| **GCF:** | **LICENSEE:** |
|---|---|
| **GOTCHA COVERED FRANCHISING, LLC** | _____ |
| By: _____ | By: _____ |
| Printed Name: _____ | Printed Name: _____ |
| Title: _____ | Title: _____ |

## Attachment 5
## CONDITIONAL ASSIGNMENT

_____ ("you") operate your franchise business at _____ _____. In consideration of the granting of a franchise to you and other valuable consideration given by **GOTCHA COVERED FRANCHISING, LLC.**, a Colorado limited liability company ("us"), you assign to us all telephone numbers, domains, email addresses, marketing materials, and listings you use in the operation of the franchise, together with administrator or comparable privileges for all web page(s), online marketing accounts, social media accounts, directories, accounts through which customers have a point of contact with you, accounts with marketing affiliates, or related items. Upon our exercise of this assignment for any event of termination, we assume the performance of all of the terms, covenants and conditions of your agreement with the provider(s) concerning the web presence or listings with the full force and effect as if we had been originally issued the accounts, listings, or points of contact. We will hold this assignment, and will deliver it to the providers or other interested third parties only upon termination of the Franchise Agreement between us and you dated _____.

DATED this _____[Date].

("we/us"): **GOTCHA COVERED FRANCHISING, LLC.**

By: _____

Title: _____

(jointly and severally "you"):

By:_____

Title: _____

Attachment 6
Multi-Unit Addendum

Addendum to Franchise Agreement

This ADDENDUM is made in connection with the Franchise Agreement by and between Gotcha Covered Franchising, LLC, a Colorado limited liability company ("Franchisor"), and _____, a limited liability company ("Franchisee"), dated _____ ("Franchise Agreement").

WHEREAS, Franchisor desire to amend and supplement the terms of the Franchise Agreement by and between Franchisor and Franchisee, according to the terms of this Addendum;

NOW THEREFORE, in consideration of the terms and conditions of this Addendum and other valuable consideration received in hand and acknowledged as sufficient, Franchisor and Franchisee agree to amend the Franchise Agreement and all prior Addenda, with any language herein that conflicts with language in any such document to supersede the language of any prior Addenda and to supersede the Franchise Agreement, on terms set forth as follows:

In consideration of Franchisee tendering, at the time of execution of this Addendum, the Franchise Agreement shall be amended, to effectuate the following change and supersede any prior statements or Attachments:

1. The Initial Franchise Fee outlined in Attachment 1 of the Franchise Agreement shall be increased from the original amount of $69,900 (USD) to an adjusted total of $_____ (USD). This $_____ (USD) adjustment reflects the Franchisee's acquisition of an additional territory(ies) and is due and payable in accordance with the terms and conditions of this addendum. The franchisee's obligation to pay the Franchise Starter Package of $19,900 and Conference Registration of $1000 shall remain unchanged.
2. The Franchise Agreement shall be additionally amended, in connection with the terms of this Addendum, such that an amended Royalty and Marketing Fee obligations shall apply from and after the effective date on the following schedules:

MARKETING
You will pay a monthly marketing fund fee in an amount corresponding to how long you have been in operation.
The monthly marketing fund fees follow the following schedule:
Months 1-4: $125.00*
Months 5-7: $250.00*
Months 8-10 : $375.00*
Months 11-13: $550.00*
Months 14-17: $780.00*
Months 18-20: $870.00*
Months 21-23: $1200.00*
Months 24 and thereafter: $1,500.00*

ROYALTY

You will pay a monthly royalty amount corresponding to how long you have been in operation. The monthly royalties follow the following schedule:

Month 1: $350.00*
Month 2: $400.00*
Month 3: $450.00*
Month 4: $700.00*
Month 5: $750.00*
Month 6: $800.00*
Month 7: $1,050.00*
Month 8: $1,100.00*
Month 9: $1,150.00*
Month 10: $1,300.00*
Month 11: $1,350.00*
Month 12 through 24: $1,800.00*
Month 25 through 36: $2,500.00*
Month 37 and thereafter: $3,250*
*Plus $0.06 for each household of your territory in excess of 30,000

Except as expressly amended, the terms of the Franchise Agreement shall remain binding upon the parties in the same manner as if the terms of the Addendum had formed part of the Franchise Agreement presented to and signed by the Franchisee and the Franchisor. The terms and provisions of this addendum shall supersede any contradictory terms or provisions contained in the Franchise Agreement. The terms and provisions of this addendum shall be maintained **confidential** and shall not be disclosed to any non-party except as may be required by law or by order of a court of competent jurisdiction.

Except as hereby amended, altered, supplemented, or changed, the rights of the Parties under the Franchise Agreement remain unchanged.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date below.

| **Franchisor ("we/us"):** | **Franchisee ("you"):** |
|---|---|
| **GOTCHA COVERED FRANCHISING, LLC** | _____ |
| By: _____ | By: _____ |
| Printed Name: _____ | Printed Name: _____ |
| Title: _____ | Title: _____ |

# EXHIBIT C

## FINANCIAL STATEMENTS

Right Answers, Right Here.

TANNER

Accountants & Advisors

# FS PEP HOLDCO, LLC and SUBSIDIARIES

**Consolidated Financial Statements**
**As of December 31, 2025 and 2024**
**and For the Years Then Ended**

**Together with Independent Auditors' Report**

TANNER

# Independent Auditors' Report

**To the Board of Managers of**
**FS PEP Holdco, LLC**

**Opinion**

We have audited the accompanying consolidated financial statements of FS PEP Holdco, LLC and subsidiaries (collectively, the Company), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, members' equity, and cash flows for the years then ended, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of FS PEP Holdco, LLC and subsidiaries as of December 31, 2025 and 2024, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Due to the March 2024 acquisition of an entity under common control, CMY Holdco, LLC (Note 2), the historical activity prior to the acquisition of CMY Holdco, LLC and its wholly-owned subsidiary, Card my Yard Franchising, LLC, have been retrospectively combined in the consolidated financial statements of the Company.

**Basis for Opinion**

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

**Responsibilities of Management for the Financial Statements**

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Tanner LLP

April 1, 2026

## *Consolidated Balance Sheets*

| | As of December 31, 2025 | As of December 31, 2024 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash | $ 4,539,992 | $ 3,690,691 |
| Accounts receivable, net of an allowance for credit losses of $441,212 and $74,296, respectively | 9,557,463 | 6,102,611 |
| Other current receivable | - | 820,000 |
| Current portion of contract assets | 2,094,653 | 1,797,429 |
| Prepaid and other current assets | 2,703,573 | 1,803,912 |
| Total current assets | 18,895,681 | 14,214,643 |
| Goodwill, net | 49,709,291 | 52,556,496 |
| Intangible assets, net | 42,587,632 | 45,678,810 |
| Contract assets, net of current portion | 13,973,962 | 13,317,603 |
| Operating lease right-of-use assets | 1,411,994 | 1,603,081 |
| Other assets | 3,765,821 | 2,206,748 |
| Total assets | $ 130,344,381 | $ 129,577,381 |
| **Liabilities and Members' Equity** | | |
| Current liabilities: | | |
| Accounts payable | $ 2,393,312 | $ 1,515,669 |
| Accrued expenses | 3,864,563 | 2,383,578 |
| Current portion of contract liabilities | 5,562,715 | 3,227,336 |
| Current portion of operating lease liabilities | 523,286 | 360,394 |
| Revolving credit facility | - | 1,100,000 |
| Current portion of long-term debt, net of debt issuance costs | 565,996 | 206,519 |
| Total current liabilities | 12,909,872 | 8,793,496 |
| Contract liabilities, net of current portion | 21,102,341 | 20,994,540 |
| Operating lease liabilities, net of current portion | 1,011,953 | 1,321,919 |
| Long-term debt, net of current portion and debt issuance costs | 50,597,210 | 46,197,321 |
| Revolving credit facility | 1,100,000 | - |
| Deferred income tax liabilities | 4,626,115 | 4,942,067 |
| Total liabilities | 91,347,491 | 82,249,343 |
| Commitments and contingencies (Notes 4, 5 & 6) | | |
| Members' equity | 38,996,890 | 47,328,038 |
| Total liabilities and members' equity | $ 130,344,381 | $ 129,577,381 |

See accompanying notes to consolidated financial statements.

## *Consolidated Statements of Operations*

| | *For the Years Ended December 31,* | |
|---|---|---|
| | **2025** | **2024** |
| Revenues | $ 75,322,650 | $ 47,493,372 |
| Cost of revenues | 24,352,610 | 14,071,864 |
| Gross profit | 50,970,040 | 33,421,508 |
| Operating expenses: | | |
| Selling, general, and administrative | 40,837,272 | 28,732,110 |
| Depreciation and amortization | 12,794,667 | 11,953,138 |
| Total operating expenses | 53,631,939 | 40,685,248 |
| Loss from operations | (2,661,899) | (7,263,740) |
| Other income (expense): | | |
| Interest expense | (5,763,645) | (5,462,474) |
| Other income (expense) | (176,690) | 43,809 |
| Total other expense, net | (5,940,335) | (5,418,665) |
| Loss before income taxes | (8,602,234) | (12,682,405) |
| Income tax benefit (provision) | (33,882) | 432,399 |
| Net loss | $ (8,636,116) | $ (12,250,006) |

See accompanying notes to consolidated financial statements.

## *Consolidated Statements of Members' Equity*

*For the years ended December 31, 2025 and 2024*

| | Members' Equity |
|---|---|
| Balance as of January 1, 2024 | $ 61,292,873 |
| Equity-based compensation | 163,300 |
| Member units issued for acquisition (Note 2) | 3,000,000 |
| Repurchase of member units | (4,878,129) |
| Net loss | (12,250,006) |
| Balance as of December 31, 2024 | 47,328,038 |
| Equity-based compensation | 204,968 |
| Member units issued for acquisition (Note 2) | 100,000 |
| Net loss | (8,636,116) |
| Balance as of December 31, 2025 | $ 38,996,890 |

See accompanying notes to consolidated financial statements.

## *Consolidated Statements of Cash Flows*

| | *For the Years Ended December 31,* | |
|---|---|---|
| | **2025** | **2024** |
| **Cash flows from operating activities:** | | |
| Net loss | $ (8,636,116) | $ (12,250,006) |
| Adjustments to reconcile net loss to net cash provided by (used in) operating activities: | | |
| Amortization of goodwill and intangible assets | 11,968,566 | 11,662,770 |
| Depreciation of fixed assets | 826,101 | 290,368 |
| Amortization of deferred financing costs | 334,614 | 255,474 |
| Amortization of operating lease right-of-use assets | 432,840 | 378,441 |
| Equity-based compensation | 204,968 | 163,300 |
| Gain on disposal of fixed assets | - | (2,189) |
| Credit loss expense | 1,045,996 | 466,027 |
| Decrease (increase) in: | | |
| Accounts receivable | (4,497,955) | (2,952,504) |
| Contract assets | (953,583) | (2,750,720) |
| Other assets | (784,749) | 516,161 |
| Increase (decrease) in: | | |
| Accounts payable and accrued expenses | 2,146,131 | 480,916 |
| Contract liabilities | 1,441,376 | 4,310,641 |
| Operating lease liabilities | (388,827) | (353,118) |
| Deferred income taxes | (315,952) | (565,338) |
| Net cash provided by (used in) operating activities | 2,823,410 | (349,777) |
| **Cash flows from investing activities:** | | |
| Purchase of property and equipment | (1,985,719) | (1,813,949) |
| Net cash paid for acquisition | (445,892) | (991,946) |
| Proceeds from acquisition related legal settlement | 820,000 | 4,950,000 |
| Net cash provided by (used in) investing activities | (1,611,611) | 2,144,105 |
| **Cash flows from financing activities:** | | |
| Payment of debt issuance costs | (245,980) | - |
| Borrowing on line of credit | - | 1,100,000 |
| Borrowing on long-term debt | 416,915 | - |
| Repayment of long-term debt | (533,433) | (851,000) |
| Purchase of membership units | - | (648,129) |
| Net cash used in financing activities | (362,498) | (399,129) |
| Net change in cash | 849,301 | 1,395,199 |
| Cash at beginning of year | 3,690,691 | 2,295,492 |
| Cash at end of year | $ 4,539,992 | $ 3,690,691 |

See accompanying notes to consolidated financial statements.

## *Consolidated Statements of Cash Flows - Continued*

| | *For the Years Ended December 31,* | |
|---|---|---|
| | **2025** | **2024** |
| **Supplemental disclosure of cash flow information:** | | |
| Cash paid for interest | $ 5,377,981 | $ 5,748,129 |
| Cash paid for income taxes | 73,651 | 644,566 |
| **Supplemental disclosure of non-cash investing and financing information:** | | |
| Operating lease right-of-use assets and liabilities added through new contracts | $ 165,441 | $ 489,629 |
| Reduction of member units and related assets due to legal settlement | - | 4,230,000 |

See accompanying notes to consolidated financial statements.

## *Notes to Consolidated Financial Statements*

### 1. Description of Organization and Summary of Significant Accounting Policies

***Organization***

FS PEP Holdco, LLC is a holding company established for the purpose of acquiring and operating home services related franchisor companies. Through its franchisor entities located throughout the United States, the Company seeks to establish profitable and sustainable franchise systems that provide franchise partners the tools to profitably operate and own a successful home service business.

***Basis of Presentation and Principles of Consolidation***

The consolidated financial statements are presented in conformity with accounting principles generally accepted in the United States of America (US GAAP) and include the accounts of FS PEP Holdco, LLC and its wholly owned subsidiaries: Five Star Connect, Inc.; Gotcha Covered Franchising, LLC; Ringside Development Company, and its wholly owned subsidiary Bio-One Atlanta, LLC; Bio-One IP Group, LLC; Ringside Group, LLC; Mosquito Shield Franchise, LLC, and its wholly owned subsidiary MS SEPA, LLC; 1-800-Packouts Holdco, LLC; CMY Holdco, LLC; Five Star Bath, Inc; Five Star Franchising, LLC, and its wholly owned subsidiary Five Star Bath, LLC; and In and Out Floors, LLC.

FS PEP Holdco, LLC was formed on April 9, 2021, and during 2021 began acquiring operating companies. The consolidated financial statements reflect the operations of FS PEP Holdco, LLC and all of its subsidiaries (collectively the Company). All intercompany balances and transactions have been eliminated in consolidation.

***Use of Estimates***

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Concentrations of Credit Risk***

The Company maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. To date, the Company has not experienced a loss or lack of access to its invested cash and cash equivalents; however, no assurance can be provided that access to the Company's invested cash will not be impacted by adverse conditions in the financial markets.

***Accounts Receivable***

Accounts receivable consists of amounts due on franchisee accounts for various fees including royalties, support fees, branding fees, insurance, training, and expendable equipment. The allowance for credit losses and other reserves are based upon the Company's historical experience with franchisees and considers the age of the receivable and the franchisees' ability to pay. Accounts are written off when determined to be uncollectible and all reasonable efforts to collect the receivable have been exhausted. Accounts receivable does not include any amounts for interest.

The balances in accounts receivable and the allowance for credit losses were as follows as of December 31:

| | 2025 | 2024 | 2023 |
|---|---|---|---|
| Accounts receivable | $ 9,998,675 | $ 6,176,907 | $ 3,671,131 |
| Allowance for credit losses | (441,212) | (74,296) | (105,953) |
| Accounts receivable, net | $ 9,557,463 | $ 6,102,611 | $ 3,565,178 |

***Contract Assets***

The Company incurs broker and sales commission expenses paid to third parties to obtain franchise agreements with franchisees. The commissions are related to franchise fee revenue and are capitalized as contract assets and recognized over the term of the respective franchise agreement.

***Goodwill and Intangible Assets***

Goodwill represents the excess purchase price over fair value of net assets acquired that is not allocable to separately identifiable intangible assets. Other identifiable intangible assets primarily consist of trade names and franchise agreements in place. These assets are amortized using the straight-line method over the estimated useful life of the asset acquired.

The Company amortizes goodwill over a period of ten years. The Company evaluates the recoverability of the carrying amount of goodwill at the entity level whenever events or circumstances indicate the carrying amount may not be recoverable. Management has determined there was no impairment as of December 31, 2025 and 2024.

***Debt Issuance Costs***

The Company defers costs related to issuing debt and amortizes the costs using the effective interest method, to interest expense over the term of the related debt.

***Revenue Recognition***

The Company primarily derives revenue from royalties, call center services, franchise and license fees, equipment and product sales, and advertising services. Revenue is recognized from these contracts with customers by applying the following steps:

- Identification of the contract, or contracts, with a customer.
- Identification of the performance obligations in a contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, performance obligations are satisfied.

Royalties

The Company sells individual franchises as well as territory agreements (Franchise Agreements) that grant the right to operate a location, using the Company's software and trademarks, generally for a period of five or ten years. The franchisees are equipped with certain equipment and samples and are trained at the Company's facilities. The Franchise Agreements require franchisees to pay continuing fees, or royalties, on a monthly basis based on the terms of the Franchise Agreement. Royalty income is based on either a percentage (generally ranging from 6% to 25%) of franchisee gross sales, minimum monthly payments, or other calculated amounts as defined in the Franchise Agreement and is recognized as the royalties are at the franchisees' point of sale.

Call Center Services

The Company provides certain sales and marketing support services for franchisees, including the operation of a call center for inbound-customer and marketing related calls. The fees associated with the call center are structured as either a fixed monthly fee or a variable fee based on the monthly usage of the call center. Revenue for call center services are recognized during the month that the services are performed.

Franchise Fees

The Franchise Agreements require the franchisee to pay an initial fee to obtain the rights associated with the Franchise Agreements. Initial franchise fee revenue is partially recognized upon substantial completion of the startup services required of the Company. The remainder of the franchise fee revenue is recognized over the term of the Franchise Agreement. All fees collected in advance are deferred until performance obligations are met, and revenue is earned. Deferred amounts are classified as contract liabilities in the accompanying consolidated balance sheets. The balance of contract liabilities was $26,665,056, $24,221,876, and $19,911,235, as of December 31, 2025, 2024, and 2023, respectively.

Franchise sales resulting from leads furnished by independent franchise brokers are subject to a sales commission. The costs of commissions paid to franchise brokers are capitalized and recognized over the same period as the related revenue.

Equipment and Product Sales

Revenue from the sale of equipment and products is recognized when title and risk of loss transfers to the buyer, which is generally upon shipment.

Advertising Services

Under the terms of the Franchise Agreements, the Company may establish national branding funds and charge a fee of up to 3% of the franchisees' gross receipts to pay for marketing costs that benefit multiple franchises and are used to promote the brands. Marketing revenues and expenses are recognized in equal amounts as marketing expenses are incurred. Any amounts collected but unspent at the end of the year are accrued for as a liability on the accompanying consolidated balance sheets until the related expense has been incurred.

Company-owned Franchise Operations

Company-owned franchises provide (i) residential installation services, including shower, bath, and flooring installations, (ii) bio-hazard cleanup and remediation services, and (iii) residential pest control services, including mosquito spraying and abatement.

Residential installation services, including shower, bath, and flooring installations, are typically completed within one to several days depending on the scope of the project. Revenue for these services is recognized at a point in time upon completion of the installation and customer acceptance, as this represents the transfer of control of the promised goods and services.

Bio-hazard cleanup and remediation services are generally short-term in nature and may be completed within a single day or over a limited number of days depending on the scope of the project. Revenue is recognized at a point in time upon completion of services and customer acceptance, as the customer simultaneously receives and consumes the benefits of the services and the Company has a right to payment upon completion.

Residential pest control services, including mosquito spraying and abatement, are typically performed on a recurring or contract basis over a defined service period. Revenue for these services is recognized over time as the services are performed, as the customer simultaneously receives and consumes the benefits of the services. For one-time treatments, revenue is recognized at a point in time upon completion of the service.

Vendor Rebates

The Company receives rebates from certain vendors used by franchisees. Vendor rebate revenue is recognized at the point-in-time the associated sales to vendors are recorded and the rebate is earned.

Other Revenues

Other revenues include fees generated by consulting services, monthly technology access fees and other miscellaneous fees allowable under the terms of the Franchise Agreements. Consulting and other fees are recognized as revenue once the consulting or other services have been performed, these services are short term in nature and provided on a month-to-month basis. Monthly technology access fees are recognized during the month that services are performed.

Amounts recognized as revenue for the different revenue types were as follows for the years ended December 31:

| | 2025 | 2024 |
|---|---|---|
| Royalties | $ 20,434,288 | $ 16,760,701 |
| Company-owned franchise operations | 16,724,007 | 434,495 |
| Other revenues | 9,131,670 | 6,665,981 |
| Advertising services | 8,620,322 | 8,154,242 |
| Franchise fees | 6,875,338 | 5,798,078 |
| Call center services | 5,390,396 | 3,018,653 |
| Equipment and product sales | 4,190,369 | 3,878,525 |
| Vendor rebates | 3,956,260 | 2,782,697 |
| | $ 75,322,650 | $ 47,493,372 |

***Contract Liabilities***

Contract liabilities represent billings made to or payments received from franchisees for which the related performance obligation has not yet been fulfilled. This primarily consists of franchise fees that have been received but are deferred to be recognized over the term of the franchise agreement. Deposits for conferences, trainings, and services are also deferred until the point at which the service has been provided.

***Leases***

Management determines if a contract is or contains a lease at inception or modification of a contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. Control over the use of the identified asset means the lessee has both (a) the right to obtain substantially all of the economic benefits from the use of the asset and (b) the right to direct the use of the asset. Such assets are classified as ROU assets with a corresponding lease liability.

For all arrangements where it is determined that a lease exists, the related ROU assets and lease liabilities are recorded as either operating or finance leases. At inception or modification, the Company calculates the present value of lease payments using the implicit rate determined from the contract or the Company's incremental borrowing rate applicable to the lease, which is determined by estimating what it would cost the Company to borrow a collateralized amount equal to the total lease payments over the lease term based on the contractual terms of the lease and the location of the leased asset. The present value is adjusted for prepaid lease payments, lease incentives, and initial direct costs. Lease expense is recognized for these leases on a straight-line basis over the expected lease term. Non-lease costs, such as common-area maintenance costs, taxes, and insurance, are not included in the measurement of the ROU assets and lease liabilities. The depreciable life of assets and leasehold improvements are limited by the expected lease term.

***Sales Tax***

The Company accounts for sales tax on a net basis and excluded from revenues.

***Shipping and Handling Costs***

The Company classifies freight billed to customers as sales revenue and the related freight costs as cost of sales.

***Advertising and Marketing***

Advertising and marketing costs included in operating expenses primarily consist of collateral marketing materials and are expensed as incurred. These costs are included in selling, general, and administrative expenses and were $2,395,606 and $1,995,154 during the years ended December 31, 2025 and 2024, respectively.

***Income Taxes***

The Company is a limited liability company under provisions of the Internal Revenue Code and has elected to be treated as a partnership for income tax purposes. As such, the payment and recognition of income taxes are the responsibility of the members of the Company.

The Company files income tax returns in the US federal and state jurisdictions. The Company is generally subject to US federal, state and local income tax examination by tax authorities for a period of three years from the date of filing. The Company is not currently under examination in any jurisdiction in which it operates.

The Company is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority, based on the technical merits of the position. The tax benefits recognized are measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant taxing authorities. Based on its analysis, the Company has determined that it has not incurred any liability for unrecognized tax benefits as of December 31, 2025. The Company does not expect that its assessment regarding unrecognized tax benefits will materially change over the next 12 months.

Certain subsidiaries of the Company recognize deferred income tax assets and liabilities for the expected future tax consequences of events that have been included in the subsidiary financial statements or tax returns. Under this method, deferred income tax assets and liabilities are determined based on the difference between financial statement and tax bases of assets and liabilities using estimated tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are recognized only if it is more likely than not that the asset will be realized in future years.

***Subsequent Events***

Management has evaluated events and transactions for potential recognition or disclosure through April 1, 2026, which is the day the consolidated financial statements were available to be issued.

## 2. Acquisitions of Subsidiary Entities

During the year ended December 31, 2025, the Company entered into the following acquisition agreements:

***Phillips & O'Brien, LLC (Bio-One Atlanta, LLC)***

On February 14, 2025, the Company entered into a securities purchase agreement to acquire 100% of the equity interest of a franchisee, Phillips & O'Brien, LLC (Bio-One Atlanta, LLC). The securities purchase agreement included a cash payment of $300,000.

***MS SEPA, LLC***

On May 13, 2025, the Company entered into a securities purchase agreement to acquire 100% of the equity interest of a franchisee, MS SEPA, LLC. The securities purchase agreement included payment of rollover ownership interest of $100,000 wherein the former owner was granted an ownership interest in the Company, and a cash payment of $4,900,000. The agreement also includes contingent consideration of up to $1,000,000 to be paid if the acquired entity reaches certain system sales metrics in 2025. Management has determined that it is not probable that the metrics will be achieved, and no liability related to the contingent consideration has been recorded in the accompanying consolidated balance sheets.

***In and Out Floors, LLC***

On September 13, 2025, the Company entered into a securities purchase agreement to acquire 100% of the equity interest of In and Out Floors, LLC. The securities purchase agreement included a cash payment of $300,000 and a contingent consideration of up to $1,500,000 in 2026, $2,200,000 in 2027, and $2,800,000 in 2028 to be paid if the acquired entity reaches certain system sales metrics over the 36-month period after the year of the acquisition. Management has determined that it is not probable that the metrics will be achieved, and no liability related to the contingent consideration has been recorded in the accompanying consolidated balance sheets.

The purchase consideration for each of the acquisition has been allocated based on the assessment of the fair market values of the acquired assets and liabilities assumed. The excess of the purchase price over the fair value of the net assets gives rise to goodwill.

The following table sets forth the allocation of the purchase consideration to the assets acquired and liabilities assumed:

| **Consideration:** | Bio-One Atlanta | MS SEPA | In and Out Floors |
|---|---|---|---|
| Total consideration | $ 300,000 | $ 4,739,200 | $ 300,000 |
| Rollover equity | - | 100,000 | - |
| Funded debt, net of issuance cost | - | (4,787,250) | - |
| Prorated expenses | - | 77,075 | - |
| Working capital adjustment | - | (240,000) | - |
| Transaction expenses | - | (37,875) | - |
| Cash acquired | (2,799) | - | (3,259) |
| Net cash paid | $ 297,201 | $ (148,850) | $ 296,741 |
| **Fair value of assets acquired and liabilities assumed:** | | | |
| Cash | $ 2,799 | $ - | $ 3,259 |
| Accounts receivable | 2,893 | - | - |
| Other assets | 80,600 | 433,767 | - |
| Operating lease right-of-use asset | - | - | 76,312 |
| Goodwill | 260,556 | 5,374,132 | - |
| Territory allocation | - | - | 395,495 |
| Contract liabilities | - | (1,001,804) | - |
| Operating lease liability | - | - | (76,312) |
| Other liabilities assumed | (46,848) | (66,895) | (98,754) |
| Total purchase price | $ 300,000 | $ 4,739,200 | $ 300,000 |

During the year ended December 31, 2024, the Company entered into the following acquisition agreements:

***CMY Holdco, LLC***

On March 26, 2024, the Company entered into a contribution and exchange agreement to acquire 100% of the membership interests in CMY Holdco, LLC (CMY) from a common owner wherein the common owner was granted additional ownership interest in the Company. The agreement also includes contingent consideration of up to $5,605,000 to be paid if CMY reaches certain system sales metrics over the 36 month period after the acquisition. Management has determined that it is not probable that the metrics will be achieved, and no liability related to the contingent consideration has been recorded in the accompanying consolidated balance sheets.

The acquisition of CMY qualified as a commonly controlled transaction which requires retrospective combination of the entities for all periods presented. In accordance with US GAAP, as of January 1, 2023, the beginning balances of assets, liabilities, and members' equity have been adjusted to include the historical cost values of CMY. The Company's consolidated statements of operations for the years ended December 31, 2025 and 2024, include all of CMY's operations as if CMY had been combined as of January 1, 2023.

***Five Star Bath, Inc.***

On December 13, 2024, the Company entered into a securities purchase agreement to acquire 100% of the shares of a franchisee, Five Star Bath, Inc. The securities purchase agreement included payment of rollover ownership interest of $3,000,000 wherein the former owner was granted an ownership interest in the Company, and a cash payment of $1,100,000.

The purchase consideration has been allocated based on the assessment of the fair market values of the acquired assets and liabilities assumed. The excess of the purchase price over the fair value of the net assets gives rise to goodwill.

The following table sets forth the allocation of the purchase consideration to the assets acquired and liabilities assumed:

| | | |
|---|---|---|
| Total consideration | $ | 4,100,000 |
| Rollover equity | | (3,000,000) |
| Cash acquired | | (108,054) |
| Net cash paid | $ | 991,946 |
| Cash | $ | 108,054 |
| Accounts receivable | | 50,956 |
| Prepaids and other assets | | 634,944 |
| Operating lease right-of-use asset | | 219,457 |
| Goodwill | | 3,354,824 |
| Operating lease liability | | (219,457) |
| Other liabilities assumed | | (48,778) |
| Total purchase price | $ | 4,100,000 |

***Legal Settlement***

During 2024, the Company entered into a settlement agreement for claims made under the indemnity clause of the purchase agreement for the 2022 acquisition agreement of 1-800 Packouts, LLC (Packouts). The Company claimed they incurred losses due to alleged breaches of franchise-related representations and warranties by the former owner of Packouts and member of the Company. In March 2024, both parties entered into a settlement agreement to resolve these claims. Under the terms of the agreement, the Company received a total settlement of $10,000,000. The settlement stipulated that the Company would repurchase the former owner's membership interest in the Company in exchange for a reduction of the legal settlement receivable at an agreed value of $4,230,000. The remaining settlement amount would be received as periodic cash payments. During the year ended December 31, 2025, the Company has received all of the remaining cash payments.

The Company determined that since this settlement was related to the acquisition of Packouts, the settlement of amount would be treated as a reduction in the related purchase price and the acquired assets.

## 3. Goodwill and Intangible Assets

Goodwill and intangible assets consist of the following as of December 31:

| | 2025 | 2024 |
|---|---|---|
| Goodwill | $ 86,118,325 | $ 80,483,637 |
| Franchise agreements | 30,900,000 | 30,900,000 |
| Trade name | 27,550,000 | 27,550,000 |
| Territory allocation | 395,495 | - |
| Total intangible assets | 144,963,820 | 138,933,637 |
| Less: accumulated amortization | (52,666,897) | (40,698,331) |
| Intangible assets, net | $ 92,296,923 | $ 98,235,306 |

Amortization expense resulting from goodwill and intangible assets was $11,968,566 and $11,662,770 for the years ended December 31, 2025 and 2024, respectively.

The future aggregate amounts of amortization expense to be recognized related to definite-lived intangible assets as of December 31, 2025, are as follows:

| Years Ending December 31, | |
|---|---|
| 2026 | $ 12,258,258 |
| 2027 | 12,258,258 |
| 2028 | 12,258,258 |
| 2029 | 12,258,158 |
| 2030 | 11,897,810 |
| Thereafter | 31,366,181 |
| | $ 92,296,923 |

## 4. Long-Term Debt and Revolving Credit Facility

In connection with the acquisitions of subsidiary companies in prior years, the Company entered into a financing arrangement with Deerpath Fund Services, LLC (Deerpath) that matures on September 3, 2027. Under the financing arrangement, the Company received an initial term loan with a principal amount of $28,000,000, to be used for acquisitions which occurred in 2021, as well as amounts available for future transactions as follows: (1) up to an aggregate of $15,000,000 available as delayed draw term loans, and (2) contingent amounts of up to $25,000,000 available for future financing to be negotiated, which $4,900,000 was used for the In and Out Floors acquisition in 2025. The loans bear an interest rate of a 3-month term SOFR plus 4.5% (9.94% as of December 31, 2025). As of December 31, 2025 and 2024, the total amount that has been drawn on the facility were $53,000,000 and $48,100,000. The arrangement also provides for a revolving credit facility with available draws up to $2,000,000, of which the Company had drawn $1,100,000 as of December 31, 2025.

During 2025, the Company entered into a promissory note with another financial institution that matures on February 3, 2032; interest rate is a fixed rate, 8% as of December 31, 2025. The Company's outstanding debt is secured by substantially all the Company's assets.

As of December 31, 2025, the Company had future maturities of notes payable as follows:

| Years Ending December 31, | | |
|---|---|---|
| 2026 | $ | 565,996 |
| 2027 | | 50,801,027 |
| 2028 | | 42,267 |
| 2029 | | 45,872 |
| 2030 | | 49,734 |
| Thereafter | | 63,336 |
| | | 51,568,232 |
| Less: debt issuance costs | | (405,026) |
| | $ | 51,163,206 |

Future amortization of debt issuance costs for the Company's notes payable as of December 31, 2025, are as follows:

| Years Ending December 31, | | |
|---|---|---|
| 2026 | $ | 243,015 |
| 2027 | | 162,011 |
| | $ | 405,026 |

The notes payable requires the Company to meet certain financial covenants. Management believes the Company was in compliance with these covenants as of December 31, 2025.

**5. Operating Leases**

The Company has entered into certain operating leases for office space under operating lease arrangements. As of December 31, 2025, there was a weighted average of 3.79 years remaining on the original lease terms. The Company estimated their incremental borrowing rate in calculating the ROU asset and operating lease liability as the rate implicit in the leases were not known. The weighted average incremental borrowing rate used was 5.88%.

The following table reconciles the undiscounted future cash flows to the operating lease liability recorded on the accompanying consolidated balance sheet as of December 31, 2025:

| Years Ending December 31, | | |
|---|---|---|
| 2026 | $ | 590,779 |
| 2027 | | 386,251 |
| 2028 | | 269,803 |
| 2029 | | 203,005 |
| 2030 | | 209,095 |
| Thereafter | | 56,533 |
| Total lease payments | | 1,715,466 |
| Less: interest | | (180,227) |
| | $ | 1,535,239 |

The Company elected the short-term lease recognition exemption and short-term leases, which have an initial term of 12 months or less, are not included in right-of-use assets or corresponding lease liabilities. The components of lease cost were as follows for the years ended December 31:

| | 2025 | 2024 |
|---|---|---|
| Operating lease cost | $ 539,273 | $ 425,914 |
| Short-term lease cost | 180,160 | 133,893 |
| Total | $ 719,433 | $ 559,807 |

## 6. Commitments and Contingencies

***Litigation***

The Company is involved in legal proceedings from time to time arising in the normal course of business. Management, after consultation with legal counsel, believes that the outcome of these proceedings will not have a material impact on the Company's consolidated financial position, results of operations, or liquidity.

***Employee Agreements***

The Company has entered into employment agreements with certain officers and employees of the Company, which require that certain severance payments are made in the event of termination without cause.

***Indemnification Agreements***

Under the Company's organizational documents, the Company's officers, employees and directors are indemnified against certain liabilities arising out of the performance of their duties. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company expects any risk of loss to be remote. The Company also has an insurance policy for its directors and officers to insure them against liabilities arising from the performance of their duties in their positions with the Company or its subsidiaries.

## 7. Equity

**Profit Interest Units**

The Company's grant agreement, approved on August 12, 2022, authorizes the grant of Class C Units to employees, officers, and managers of the Company. 50% of the grants are time vesting and have a vesting period of 4 years with 12.5% vesting on each of the anniversary of the grant date. The other 50% of the grants are vesting based on the performance condition of a liquidity event. As of December 31, 2025, the Company has granted a total of 53,167 Class C Units. Equity-based compensation for the years ended December 31, 2025 and 2024 was $204,968 and $163,300, respectively, which is included in selling, general, and administrative expenses in the accompanying consolidated statements of operations.

**Discretionary and Liquidating Distribution**

Distributions of net proceeds in connection with the consummation of a Liquidity Event or a liquidation of the Company shall be distributed in the following order and priority:

(i) first, to the holders of Class A Units in proportion to their relative portion of the Undistributed Class A Preferred Return;

(ii) second, to the holders of Class A Units in proportion to their relative portion of the Unreturned Class A Contributions, until each holder of Class A Units has received Distributions in an aggregate amount equal to the aggregate Unreturned Class A Contributions with respect to such holder's Class A Units outstanding immediately prior to such Distribution;

(iii) third, to the holders of Class B Units in proportion to their relative Class B Pro Rata Share, until the holders of Class B Units have collectively received Distributions in an aggregate amount equal to the Class B Pro Rata Portion of the amount of aggregate Distributions to the holders of Class A Units and Class B Units;

(iv) fourth, if applicable, to the holder of Vested Class D Units, the Class D Distribution Amount; and

(v) thereafter, to the holders of Class A Units, Class B Units and Vested Class C Units in proportion to the number of Class A Units, Class B Units and Vested Class C Units held by such Members; provided, however, that the total Distributions to holders of Class A Units shall not exceed the greater of (A) the aggregate Distributions to holders of Class A Units and (B) their aggregate pro rata share of all Distributions distributed to the holders of Class A Units, Class B Units and Vested Class C Units.

**8. Related Party Transactions**

The Company pays a management fee to a certain member of the Company on an annual basis based on revenues. The Company made payments of management fees of $881,427 and $784,283 for services rendered during the years ended December 31, 2025 and 2024, respectively.

**9. Income Taxes**

The benefit (provision) for income taxes consists of the following for the years ended December 31, 2025 and 2024:

| | 2025 | 2024 |
|---|---|---|
| Current: | | |
| Federal | $ (289,024) | $ (133,183) |
| State | (60,810) | 244 |
| Total current | (349,834) | (132,939) |
| Deferred: | | |
| Federal | 296,189 | 453,482 |
| State | 19,763 | 111,856 |
| Total deferred | 315,952 | 565,338 |
| Total benefit (provision) for income taxes | $ (33,882) | $ 432,399 |

Significant components of the Company's deferred income tax assets (liabilities) are as follows as of December 31:

| | 2025 | 2024 |
|---|---|---|
| Deferred income tax assets (liabilities): | | |
| Intangible assets | $ (4,857,558) | $ (5,284,048) |
| Deferred costs | (245,439) | (153,662) |
| Fixed assets | (66,591) | (36,969) |
| Deferred revenue | 324,393 | 249,196 |
| NOL carryforwards | 120,271 | 287,562 |
| Other | 98,809 | (4,146) |
| | $ (4,626,115) | $ (4,942,067) |

The benefit (provision) for income taxes attributable to income before benefit (provision) for income taxes differed from the amount obtained by applying the federal statutory income tax rate to income (loss) before income taxes due to tax rate adjustments, state taxes, permanent differences in deductible goodwill amortization, and prior period adjustments and true-ups.

As of December 31, 2025, the Company had U.S. federal and state tax-basis net operating loss carryforwards (NOLs) of approximately $509,000. The federal and state NOLs will begin to expire in 2038.

The Company has concluded that there are no significant uncertain tax positions requiring disclosure, and there are no material amounts of unrecognized tax benefits.

Right Answers, Right Here.

TANNER

Accountants & Advisors

# FS PEP HOLDCO, LLC and SUBSIDIARIES

**Consolidated Financial Statements As of December 31, 2024 and 2023 and For the Years Then Ended**

**Together with Independent Auditors' Report**

1. To the Board of Managers of FS PEP Holdco, LLC

**Opinion**

We have audited the accompanying consolidated financial statements of FS PEP Holdco, LLC and subsidiaries (collectively, the Company), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, members' equity, and cash flows for the years then ended, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of FS PEP Holdco, LLC and subsidiaries as of December 31, 2024 and 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Due to the March 2024 acquisition of an entity under common control, CMY Holdco, LLC (Note 2), the historical activity prior to the acquisition of CMY Holdco, LLC and its wholly-owned subsidiary, Card my Yard Franchising, LLC, have been retrospectively combined in the consolidated financial statements of the Company. We did not audit the 2023 financial statements of Card my Yard Franchising, LLC, which statements reflect total assets of
$10,040,671, and total revenues of $3,521,565. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Card my Yard Franchising, LLC as of December 31, 2023, and for the year then ended, is based solely on the report of the other auditors.

2. Basis for Opinion

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

3. 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.

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

4. Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Tanner LLC

April 23, 2025

## ITEM 24 CONSOLIDATED BALANCE SHEETS

*As of December 31,*

| | 1. | 2024 | 2023 |
|---|---|---|---|
| **Assets** | | | |
| Current assets: | | | |
| Cash | | $ 3,690,691 | $ 1,455,349 |
| Restricted cash | | - | 840,143 |
| Accounts receivable, net of an allowance for credit losses of $74,296 and $105,953, respectively | | 6,102,611 | 3,565,178 |
| Other current receivable | | 820,000 | - |
| Current portion of contract assets | | 1,797,429 | 1,382,859 |
| Prepaid and other current assets | | 1,803,912 | 1,537,556 |
| Total current assets | 14,214,643 | 8,781,085 | |
| Goodwill, net | | 52,556,496 | 66,184,756 |
| Intangible assets, net | | 45,678,810 | 50,358,496 |
| Contract assets, net of current portion | | 13,317,603 | 10,981,453 |
| Operating lease right-of-use assets | | 1,603,081 | 1,272,436 |
| Other assets | | 2,206,748 | 828,551 |
| Total assets | | $ 129,577,381 | $ 138,406,777 |
| **Liabilities and Members' Equity** | | | |
| Current liabilities: | | | |
| Accounts payable | | $ 1,515,669 | $ 713,523 |
| Accrued expenses | | 2,383,578 | 2,656,030 |
| Current portion of contract liabilities | | 3,227,336 | 2,517,756 |
| Current portion of operating lease liabilities | | 360,394 | 256,163 |
| Revolving credit facility | | 1,100,000 | - |
| Current portion of long-term debt, net of debt issuance costs | | 206,519 | 851,000 |
| Total current liabilities | | 8,793,496 | 6,994,472 |
| Contract liabilities, net of current portion | | 20,994,540 | 17,393,479 |
| Operating lease liabilities, net of current portion | | 1,321,919 | 1,070,182 |
| Long-term debt, net of current portion and debt issuance costs | | 46,197,321 | 46,148,366 |
| Deferred income tax liabilities | | 4,942,067 | 5,507,405 |
| Total liabilities | | 82,249,343 | 77,113,904 |
| Commitments and contingencies (Notes 4, 5 & 6) | | | |
| Members' equity | | 47,328,038 | 61,292,873 |
| Total liabilities and members' equity | | $ 129,577,381 | $ 138,406,777 |

See accompanying notes to consolidated financial statements.

## ITEM 25 CONSOLIDATED STATEMENTS OF OPERATIONS

*For the Years Ended December 31,*

| | 2024 | 2023 |
|---|---|---|
| Revenues | $ 47,493,372 | $ 38,119,222 |
| Cost of revenues | 14,071,864 | 10,711,574 |
| Gross profit | 33,421,508 | 27,407,648 |
| Operating expenses: | | |
| Selling, general, and administrative | 28,732,110 | 24,077,839 |
| Depreciation and amortization | 11,953,138 | 12,782,735 |
| Total operating expenses | 40,685,248 | 36,860,574 |
| Loss from operations | (7,263,740) | (9,452,926) |
| Other income (expense): Interest expense | (5,462,474) | (5,530,375) |
| Other income (expense) | 43,809 | (218,954) |
| Total other expense, net | (5,418,665) | (5,749,329) |
| Loss before income taxes | (12,682,405) | (15,202,255) |
| Income tax benefit (provision) | 432,399 | (765,698) |
| Net loss | $ (12,250,006) | $ (15,967,953) |

See accompanying notes to consolidated financial statements.

## ITEM 26 CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

*For the years ended December 31, 2024 and 2023*

| | 1. Members' Equity |
|---|---|
| Balance as of January 1, 2023 | $ 77,059,237 |
| Equity-based compensation | 201,589 |
| Net loss | (15,967,953) |
| Balance as of December 31, 2023 | 61,292,873 |
| Equity-based compensation | 163,300 |
| Member units issued for acquisition (Note 2) | 3,000,000 |
| Repurchase of member units | (4,878,129) |
| Net loss | (12,250,006) |
| Balance as of December 31, 2024 | $ 47,328,038 |

See accompanying notes to consolidated financial statements.

## ITEM 27 CONSOLIDATED STATEMENTS OF CASH FLOWS

*For the Years Ended December 31,*

| 2024 | | 2023 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Net loss | $ (12,250,006) | $ (15,967,953) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Amortization of goodwill and intangible assets | 11,662,770 | 12,639,099 |
| Depreciation of fixed assets | 290,368 | 143,636 |
| Amortization of deferred financing costs | 255,474 | 237,783 |
| Amortization of operating lease right-of-use assets | 378,441 | 263,663 |
| Equity-based compensation | 163,300 | 201,589 |
| Gain on disposal of fixed assets | (2,189) | (11,390) |
| Credit loss expense | 466,027 | 47,293 |
| Decrease (increase) in: | | |
| Accounts receivable | (2,952,504) | (1,251,872) |
| Contract assets | (2,750,720) | (1,396,460) |
| Other assets | 516,161 | (385,204) |
| Increase (decrease) in: | | |
| Accounts payable and accrued expenses | 480,916 | 4,506 |
| Contract liabilities | 4,310,641 | 3,834,331 |
| Operating lease liabilities | (353,118) | (243,367) |
| Deferred income taxes | (565,338) | 424,255 |
| Net cash used in operating activities | (349,777) | (1,460,091) |
| **Cash flows from investing activities:** | | |
| Purchase of property and equipment | (1,813,949) | (441,815) |
| Net cash paid for acquisition | (991,946) | - |
| Proceeds from acquisition related legal settlement | 4,950,000 | - |
| Proceeds from sale of property and equipment | - | 83,000 |
| Purchase of intangibles | - | (5,355) |
| Net cash provided by (used in) investing activities | 2,144,105 | (364,170) |
| **Cash flows from financing activities:** | | |
| Borrowing on line of credit | 1,100,000 | - |
| Borrowing on long-term debt | - | 245,000 |
| Repayment of long-term debt | (851,000) | (481,000) |
| Purchase of membership units | (648,129) | - |
| Net cash used in financing activities | (399,129) | (236,000) |
| Net change in cash and restricted cash | 1,395,199 | (2,060,261) |
| Cash and restricted cash at beginning of year | 2,295,492 | 4,355,753 |
| Cash and restricted cash at end of year | $ 3,690,691 | $ 2,295,492 |

See accompanying notes to consolidated financial statements.

| | *For the Years Ended December 31,* | |
|---|---|---|
| | **2024** | **2023** |
| **Supplemental disclosure of cash flow information:** | | |
| Cash paid for interest | $ 5,748,129 | $ 5,102,711 |
| Cash paid for income taxes | 644,566 | 110,538 |
| **Supplemental disclosure of non-cash investing and financing information:** | | |
| Operating lease right-of-use assets and liabilities added through new contracts | $ 489,629 | $ 357,822 |
| Reduction of of member units and related assets due to legal settlement | 4,230,000 | - |
| **Reconciliation of cash and restricted cash:** | | |
| Cash | $ 3,690,691 | $ 1,455,349 |
| Restricted cash | - | 840,143 |
| Cash and restricted cash at end of year | $ 3,690,691 | $ 2,295,492 |

See accompanying notes to consolidated financial statements.

## ITEM 29 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

. Description of Organization and Summary of Significant Accounting Policies

i. Organization

FS PEP Holdco, LLC is a holding company established for the purpose of acquiring and operating home services related franchisor companies. Through its franchisor entities located throughout the United States, the Company seeks to establish profitable and sustainable franchise systems that provide franchise partners the tools to profitably operate and own a successful home service business.

ii. Basis of Presentation and Principles of Consolidation

The consolidated financial statements are presented in conformity with accounting principles generally accepted in the United States of America (US GAAP) and include the accounts of FS PEP Holdco, LLC and its wholly owned subsidiaries: Five Star Connect, Inc.; Gotcha Covered Franchising, LLC; Ringside Development Company; Bio-One IP Group, LLC; Ringside Group, LLC; Mosquito Shield Franchise, LLC; 1-800-Packounts Holdco, LLC; CMY Holdco, LLC; Five Star Bath, Inc; Five Star Franchising, LLC; and its wholly owned subsidiary Five Star Bath, LLC.

FS PEP Holdco, LLC was formed on April 9, 2021, (date of inception) and during 2021 began acquiring operating companies. The consolidated financial statements reflect the operations of FS PEP Holdco, LLC and all of its subsidiaries (collectively the Company). All intercompany balances and transactions have been eliminated in consolidation.

iii. Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

iv. Concentrations of Credit Risk

The Company maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. To date, the Company has not experienced a loss or lack of access to its invested cash and cash equivalents; however, no assurance can be provided that access to the Company's invested cash will not be impacted by adverse conditions in the financial markets.

v. Restricted Cash

Restricted cash balances relate to cash franchisees contribute to the Company's national branding funds. Cash contributed by franchisees to the national branding funds are to be used in accordance with the franchise agreements with a focus on marketing and advertising.

vi. Accounts Receivable, net

Accounts receivable consist of amounts due on franchisee accounts for various fees including royalties, support fees, branding fees, insurance, training, and expendable equipment. The allowance for credit losses and other reserves are based upon the Company's historical experience with franchisees and considers the age of the receivable and the franchisees' ability to pay. Accounts are written-off when determined to be uncollectible and all reasonable efforts to collect the receivable have been exhausted. Accounts receivable do not include any amounts for interest.

The balances in accounts receivable and the allowance for credit losses were as follows as of December 31:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Accounts receivable | $ 6,176,907 | $ 3,671,131 | $ 2,419,259 |
| Allowance for credit losses | (74,296) | (105,953) | (58,660) |

vii. Notes Receivable

Some franchise agreements allow for the financing of initial franchising fees over a term of one to five years. These receivables bear interest ranging from 4% to 10% and are reviewed for collectability by assessing the franchisee's completion of training, commencing operations, and revenue generation. As of December 31, 2024 and 2023, the Company had $66,850 and $239,770 outstanding on notes receivable, which have been included in the other assets account on the accompanying consolidated balance sheets. Management has determined that no allowance for credit loss is necessary for these notes receivable as of December 31, 2024 or 2023.

viii. Contract Assets

The Company incurs broker and sales commission expenses paid to third parties to obtain franchise agreements with franchisees. The commissions are related to franchise fee revenue and are capitalized as contract assets and recognized over the term of the respective franchise agreement.

ix. Goodwill and Intangible Assets

Goodwill represents the excess purchase price over fair value of net assets acquired that is not allocable to separately identifiable intangible assets. Other identifiable intangible assets primarily consist of trade names and franchise agreements in place. These assets are amortized using the straight-line method over the estimated useful life of the asset acquired.

The Company amortizes goodwill over a period of ten years. The Company evaluates the recoverability of the carrying amount of goodwill at the entity level whenever events or circumstances indicate the carrying amount may not be recoverable. Management has determined there was no impairment as of December 31, 2024 and 2023.

x. Debt Issuance Costs

The Company defers costs related to issuing debt and amortizes the costs using the effective interest method, to interest expense over the term of the related debt.

xi. Revenue Recognition

The Company primarily derives revenue from royalties, call center services, franchise and license fees, equipment and product sales, and advertising services. Revenue is recognized from these contracts with customers by applying the following steps:

- Identification of the contract, or contracts, with a customer.
- Identification of the performance obligations in a contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, performance obligations are satisfied.

Royalties

The Company sells individual franchises as well as territory agreements (Franchise Agreements) that grant the right to operate a location, using the Company's software and trademarks, generally for a period of five or ten years. The franchisees are equipped with certain equipment and samples and are trained at the Company's facilities. The Franchise Agreements require franchisees to pay continuing fees, or royalties, on a monthly basis based on the terms of the Franchise Agreement. Royalty income is based on either a percentage (generally ranging from 6% to 25%) of franchisee gross sales, minimum monthly payments, or other calculated amounts as defined in the Franchise Agreement and is recognized as the royalties are at the franchisees' point of sale.

Call Center Services

The Company provides certain sales and marketing support services for franchisees, including the operation of a call center for inbound-customer and marketing related calls. The fees associated with the call center are structured as either a fixed monthly fee or a variable fee based on the monthly usage of the call center. Revenue for call center services are recognized during the month that the services are performed.

Franchise Fees

The Franchise Agreements require the franchisee to pay an initial fee to obtain the rights associated with the Franchise Agreements. Initial franchise fee revenue is partially recognized upon substantial completion of the startup services required of the Company. The remainder of the franchise fee revenue is recognized over the term of the Franchise Agreement. All fees collected in advance are deferred until performance obligations are met, and revenue is earned. Deferred amounts are classified as contract liabilities in the accompanying consolidated balance sheets. The balance of contract liabilities was $24,221,876, $19,911,235, and $15,968,514, as of December 31, 2024, 2023, and 2022, respectively.

Franchise sales resulting from leads furnished by independent franchise brokers are subject to a sales commission. The costs of commissions paid to franchise brokers are capitalized and recognized over the same period as the related revenue.

Equipment and Product Sales

Revenue from the sale of equipment and products is recognized when title and risk of loss transfers to the buyer, which is generally upon shipment.

Advertising Services

Under the terms of the Franchise Agreements, the Company may establish national branding funds and charge a fee of up to 3% of the franchisees' gross receipts to pay for marketing costs that benefit multiple franchises and are used to promote the brands. Marketing revenues and expenses are recognized in equal amounts as marketing expenses are incurred. Any amounts collected but unspent at the end of the year are accrued for as a liability on the accompanying consolidated balance sheets until the related expense has been incurred.

Installation Sales

Company-operated franchises provide shower and bath installations that are generally completed within 1-2 days. Revenue is recognized at the point-in-time the product installation is completed and accepted by the customer.

Vendor Rebates

The Company receives rebates from certain vendors used by franchisees. Vendor rebate revenue is recognized at the point-in- time the associated sales to vendors are recorded and the rebate is earned.

Other Revenues

Other revenues include fees generated by consulting services, monthly technology access fees and other miscellaneous fees allowable under the terms of the Franchise Agreements. Consulting and other fees are recognized as revenue once the consulting or other services have been performed, these services are short term in nature and provided on a month-to-month basis. Monthly technology access fees are recognized during the month that services are performed.

Amounts recognized as revenue for the different revenue types were as follows for the years ended December 31, 2024 and 2023:

| (2) | 2024 | 2023 |
|---|---|---|
| Royalties | $ 16,760,701 | $ 13,797,504 |
| Advertising services | 8,154,242 | 7,184,067 |
| Other revenues | 6,665,981 | 5,113,894 |
| Franchise fees | 5,798,078 | 5,023,575 |
| Equipment and product sales | 3,878,525 | 2,414,926 |
| Call center services | 3,018,653 | 2,799,481 |
| Vendor rebates | 2,782,697 | 1,785,775 |
| Installation sales | 434,495 | - |

| | | |
|---|---|---|
| | $ 47,493,372 | $ 38,119,222 |

i. Contract Liabilities

Contract liabilities represent billings made to or payments received from franchisees for which the related performance obligation has not yet been fulfilled. This primarily consists of franchise fees that have been received but are deferred to be recognized over the term of the franchise agreement. Deposits for conferences and trainings are also deferred until the point at which the service has been provided.

ii. Leases

Management determines if a contract is or contains a lease at inception or modification of a contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. Control over the use of the identified asset means the lessee has both (a) the right to obtain substantially all of the economic benefits from the use of the asset and (b) the right to direct the use of the asset. Such assets are classified as ROU assets with a corresponding lease liability.

For all arrangements where it is determined that a lease exists, the related ROU assets and lease liabilities are recorded as either operating or finance leases. At inception or modification, the Company calculates the present value of lease payments using the implicit rate determined from the contract or the Company's incremental borrowing rate applicable to the lease, which is determined by estimating what it would cost the Company to borrow a collateralized amount equal to the total lease payments over the lease term based on the contractual terms of the lease and the location of the leased asset. The present value is adjusted for prepaid lease payments, lease incentives, and initial direct costs. Lease expense is recognized for these leases on a straight-line basis over the expected lease term. Non-lease costs, such as common-area maintenance costs, taxes, and insurance, are not included in the measurement of the ROU assets and lease liabilities. The depreciable life of assets and leasehold improvements are limited by the expected lease term.

iii. Sales Tax

The Company accounts for sales tax on a net basis and excluded from revenues.

iv. Shipping and Handling Costs

The Company classifies freight billed to customers as sales revenue and the related freight costs as cost of sales.

v. Advertising and Marketing

Advertising and marketing costs included in operating expenses primarily consist of collateral marketing materials and are expensed as incurred. These costs are included in selling, general, and administrative expenses and were $1,995,154 and
$2,089,788 during the years ended December 31, 2024 and 2023, respectively.

vi. Income Taxes

The Company is a limited liability company under provisions of the Internal Revenue Code and has elected to be treated as a partnership for income tax purposes. As such, the payment and recognition of income taxes are the responsibility of the members of the Company.

The Company files income tax returns in the US federal and state jurisdictions. The Company is generally subject to US federal, state and local income tax examination by tax authorities for a period of three years from the date of filing. The Company is not currently under examination in any jurisdiction in which it operates.

The Company is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority, based on the technical merits of the position. The tax benefits recognized are measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant taxing authorities. Based on its analysis, the Company has determined that it has not incurred any liability for unrecognized tax benefits as of December 31, 2024. The Company does not expect that its assessment regarding unrecognized tax benefits will materially change over the next 12 months.

Certain subsidiaries of the Company recognize deferred income tax assets and liabilities for the expected future tax consequences of events that have been included in the subsidiary financial statements or tax returns. Under this method, deferred income tax assets and liabilities are determined based on the difference between financial statement and tax bases of assets and liabilities using estimated tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are recognized only if it is more likely than not that the asset will be realized in future years.

vii. Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure through April 23, 2025, which is the day the consolidated financial statements were available to be issued.

**2.** Acquisitions of Subsidiary Entities

viii. CMY Holdco, LLC

On March 26, 2024, the Company entered into a contribution and exchange agreement to acquire 100% of the membership interests in CMY Holdco, LLC (CMY) from a common owner wherein the common owner was granted additional ownership interest in the Company. The agreement also includes contingent consideration of up to $5,605,000 to be paid if CMY reaches certain system sales metrics over the 36 month period after the acquisition. Management has determined that it is not probable that the metrics will be achieved, and no liability related to the contingent consideration has been recorded in the accompanying consolidated balance sheets.

The acquisition of CMY qualified as a commonly controlled transaction which requires retrospective combination of the entities for all periods presented. In accordance with US GAAP, as of January 1, 2023, the beginning balances of assets, liabilities, and members' equity have been adjusted to include the historical cost values of CMY. The Company's consolidated statements of operations for the years ended December 31, 2024 and 2023, include all of CMY's operations as if CMY had been combined as of January 1, 2023.

ix. Five Star Bath, Inc.

On December 13, 2024, the Company entered into a securities purchase agreement to acquire 100% of the shares of a franchisee, Five Star Bath, Inc. The securities purchase agreement included payment of rollover ownership interest of
$3,000,000 wherein the former owner was granted an ownership interest in the Company, and a cash payment of $1,100,000.

The purchase consideration has been allocated based on the assessment of the fair market values of the acquired assets and liabilities assumed. The excess of the purchase price over the fair value of the net assets gives rise to goodwill.

The following table sets forth the allocation of the purchase consideration to the assets acquired and liabilities assumed:

| | |
|---|---|
| Total consideration | $ 4,100,000 |
| Rollover equity | (3,000,000) |
| Cash acquired | (108,054) |
| Net cash paid | $ 991,946 |
| Cash | $ 108,054 |
| Accounts receivable | 50,956 |
| Prepaids and other assets | 634,944 |
| Operating lease right-of-use asset | 219,457 |
| Goodwill | 3,354,824 |
| Operating lease liability | (219,457) |
| Other liabilities assumed | (48,778) |
| Total purchase price | $ 4,100,000 |

x. Legal Settlement

During 2024, the Company entered into a settlement agreement for claims made under the indemnity clause of the purchase agreement for the 2022 acquisition agreement of 1-800 Packouts, LLC (Packouts). The Company claimed they incurred losses due to alleged breaches of franchise-related representations and warranties by the former owner of Packouts and member of the Company. In March 2024, both parties entered into a settlement agreement to resolve these claims. Under the terms of the agreement, the Company received a total settlement of $10,000,000. The settlement stipulated that the Company would repurchase the former owner's membership interest in the Company in exchange for a reduction of the legal settlement receivable at an agreed value of $4,230,000. The remaining settlement amount would be received as periodic cash payments. During the year ended December 31, 2024, the Company received cash payments totaling $4,950,000 and the remaining receivable amount of $820,000 is due in September 2025.

The Company determined that since this settlement was related to the acquisition of Packouts, the settlement of amount would be treated as a reduction in the related purchase price and the acquired assets.

5. Goodwill and Intangible Assets

Goodwill and intangible assets consist of the following as of December 31:

| (3) | 2024 | 2023 |
|---|---|---|
| Trade name | $ 27,550,000 | $ 27,550,000 |
| Franchise agreements | 30,900,000 | 30,900,000 |
| Goodwill | 80,483,637 | 87,128,812 |
| Total intangible assets | 138,933,637 | 145,578,812 |
| Less: accumulated amortization | (40,698,331) | (29,035,560) |
| Intangible assets, net | $ 98,235,306 | $ 116,543,252 |

Amortization expense resulting from goodwill and intangible assets was $11,662,770 and $12,639,099 for the years ended December 31, 2024 and 2023, respectively.

The future aggregate amounts of amortization expense to be recognized related to definite-lived intangible assets as of December 31, 2024, are as follows:

| Years Ending December 31, | |
|---|---|
| 2025 | $ 11,668,434 |
| 2026 | 11,668,434 |
| 2027 | 11,668,434 |
| 2028 | 11,668,434 |
| 2029 | 11,668,434 |
| Thereafter | 39,893,136 |
| | $ 98,235,306 |

4. Long-Term Debt and Revolving Credit Facility

In connection with the acquisitions of subsidiary companies in prior years, the Company entered into a financing arrangement with Deerpath Fund Services, LLC (Deerpath) that matures on September 3, 2026. Under the financing arrangement, the Company received an initial term loan with a principal amount of $28,000,000, to be used for acquisitions which occurred in 2021, as well as amounts available for future transactions as follows: (1) up to an aggregate of $15,000,000 available as delayed draw term loans, and (2) contingent amounts of up to $25,000,000 available for future financing to be negotiated. The loans bear an interest rate of a 3-month term SOFR plus 5.65% (10.24% as of December 31, 2024). As of December 31, 2024 and 2023, the total amount that has been drawn on the facility was $48,100,000. The arrangement also provides for a revolving credit facility with available draws up to $2,000,000, of which the Company had drawn $1,100,000 as of December 31, 2024.

As of December 31, 2024, the Company had future maturities of notes payable as follows:

| Years Ending December 31, | |
|---|---|
| 2025 | $ 481,000 |
| 2026 | 46,416,500 |
| | 46,897,500 |
| Less: debt issuance costs | (493,660) |
| | $ 46,403,840 |

Future amortization of debt issuance costs for the Company's notes payables as of December 31, 2024, are as follows:

| Years Ending December 31, | | |
|---|---|---|
| 2025 | $ | 274,481 |
| 2026 | | 219,179 |
| | $ | 493,660 |

**5.** Operating Leases

The Company has entered into certain operating leases for office space under operating lease arrangements. As of December 31, 2024, there was a weighted average of 4.3 years remaining on the original lease terms. The Company estimated their incremental borrowing rate in calculating the ROU asset and operating lease liability as the rate implicit in the leases were not known. The weighted average incremental borrowing rate used was 5.77%.

The following table reconciles the undiscounted future cash flows to the operating lease liability recorded on the accompanying consolidated balance sheet as of December 31, 2024:

| Years Ending December 31, | | |
|---|---|---|
| 2025 | $ | 511,334 |
| 2026 | | 456,597 |
| 2027 | | 312,535 |
| 2028 | | 231,112 |
| 2029 | | 203,190 |
| Thereafter | | 213,394 |
| Total lease payments | | 1,928,162 |
| Less: interest | | (245,849) |
| | $ | 1,682,313 |

The Company elected the short-term lease recognition exemption and short-term leases, which have an initial term of 12 months or less, are not included in right-of-use asseets or corresponding lease liabilities. The components of lease cost were as follows for the years ended December 31:

**(4)**

| | **2024** | **2023** |
|---|---|---|
| Operating lease cost | $ 425,914 | $ 406,131 |
| Short-term lease cost | 133,893 | 200,074 |
| Total | $ 559,807 | $ 606,205 |

## 6. Commitments and Contingencies

### i. Litigation

The Company is involved in legal proceedings from time to time arising in the normal course of business. Management, after consultation with legal counsel, believes that the outcome of these proceedings will not have a material impact on the Company's consolidated financial position, results of operations, or liquidity.

ii. Employee Agreements

The Company has entered into employment agreements with certain officers and employees of the Company, which require that certain severance payments are made in the event of termination without cause.

iii. Indemnification Agreements

Under the Company's organizational documents, the Company's officers, employees and directors are indemnified against certain liabilities arising out of the performance of their duties. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company expects any risk of loss to be remote. The Company also has an insurance policy for its directors and officers to insure them against liabilities arising from the performance of their duties in their positions with the Company or its subsidiaries.

7. Related Party Transactions

The Company pays a management fee to a certain member of the Company on an annual basis based on revenues. The Company made payments of management fees of $784,283 and $870,389 for services rendered during the years ended December 31, 2024 and 2023, respectively.

The Company provided call center and other management services to another franchisor that is under common ownership. Additionally, the Company incurred certain expenses on behalf of that related franchisor and billed them for costs incurred. Amounts charged for services performed during the years ended December 31, 2024 and 2023, amounted to $0 and $250,031, respectively, and are included in revenues. As of December 31, 2024 and 2023, accounts receivable due from this related party were $0 and $250,031, respectively. As of March 2024, this franchisor was no longer under common ownership.

8. Income Taxes

The benefit (provision) for income taxes consists of the following for the years ended December 31, 2024 and 2023:

| | 2024 | 2023 |
|---|---|---|
| Current: | | |
| Federal | $ (133,183) | $ (262,480) |
| State | 244 | (78,963) |
| Total current | (132,939) | (341,443) |
| Deferred: | | |
| Federal | 453,482 | (292,567) |
| State | 111,856 | (131,688) |
| Total deferred | 565,338 | (424,255) |

| | | |
|---|---|---|
| Total benefit (provision) for income taxes | $ 432,399 | $ (765,698) |

Significant components of the Company's deferred income tax assets (liabilities) are as follows as of December 31:

| | 2024 | 2023 |
|---|---|---|
| Deferred income tax assets (liabilities): | | |
| Intangible assets | $ (5,284,048) | $ (5,747,861) |
| Deferred costs | (153,662) | (16,114) |
| Fixed assets | (36,969) | (44,540) |
| Deferred revenue | 249,196 | 140,945 |
| NOL carryforwards | 287,562 | 166,613 |
| Other | (4,146) | (6,448) |
| | $ (4,942,067) | $ (5,507,405) |

The benefit (provision) for income taxes attributable to income before benefit (provision) for income taxes differed from the amount obtained by applying the federal statutory income tax rate to income (loss) before income taxes due to tax rate adjustments, state taxes, permanent differences in deductible goodwill amortization, and prior period adjustments and true- ups.

As of December 31, 2024, the Company had U.S. federal and state tax-basis net operating loss carryforwards (N0Ls) of approximately $1,182,000 and $1,045,000, respectively. The federal and state NOLs will begin to expire in 2038 and 2036, respectively.

The Company has concluded that there are no significant uncertain tax positions requiring disclosure, and there are no material amounts of unrecognized tax benefits.

**9.** Subsequent Events

In February 2025, the Company completed an acquisition of a Bio-One franchisee, Phillips & O'Brien, LLC, for a purchase price of $300,000.

Right Answers, Right Here.

TANNER

Accountants & Advisors

**FS PEP HOLDCO, LLC and SUBSIDIARIES**

**Consolidated Financial Statements**
**As of December 31, 2023 and 2022**
**and For the Years Then Ended**

**Together with Independent Auditors' Report**

TANNER

# Independent Auditors' Report

**To the Board of Managers of**
**FS PEP Holdco, LLC**

**Opinion**

We have audited the accompanying consolidated financial statements of FS PEP Holdco, LLC and subsidiaries (collectively, the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations, members' equity, and cash flows for the years then ended, and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of FS PEP Holdco, LLC and subsidiaries as of December 31, 2023 and 2022, and the results of their operations and their 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our 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 the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Tanner LLC

April 5, 2024

## *Consolidated Balance Sheets*

| | As of December 31, 2023 | 2022 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash | $ 1,338,811 | $ 3,760,121 |
| Restricted cash | 840,143 | 543,616 |
| Accounts receivable, net of an allowance for credit losses of $105,953 and $58,660, respectively | 3,532,277 | 2,360,599 |
| Current portion of contract assets | 1,382,859 | 1,350,919 |
| Prepaid and other current assets | 1,460,144 | 792,682 |
| Total current assets | 8,554,234 | 8,807,937 |
| Goodwill, net | 56,518,636 | 63,918,327 |
| Intangible assets, net | 50,358,496 | 54,137,918 |
| Contract assets, net of current portion | 10,981,453 | 9,616,933 |
| Operating lease right-of-use assets | 1,246,432 | 1,153,787 |
| Other assets | 706,855 | 703,934 |
| Total assets | $ 128,366,106 | $ 138,338,836 |
| **Liabilities and Members' Equity** | | |
| Current liabilities: | | |
| Accounts payable | $ 655,035 | $ 602,708 |
| Accrued expenses | 1,997,785 | 2,643,685 |
| Current portion of contract liabilities | 2,371,381 | 1,960,914 |
| Current portion of operating lease liabilities | 229,780 | 154,246 |
| Current portion of long-term debt | 481,000 | 491,176 |
| Total current liabilities | 5,734,981 | 5,852,729 |
| Contract liabilities, net of current portion | 17,138,458 | 13,714,594 |
| Operating lease liabilities, net of current portion | 1,070,182 | 1,031,261 |
| Long-term debt, net of current portion and debt issuance costs | 46,148,366 | 46,381,407 |
| Deferred income taxes | 5,507,405 | 5,083,150 |
| Total liabilities | 75,599,392 | 72,063,141 |
| Commitments and contingencies (Notes 4, 6 & 7) | | |
| Members' equity | 52,766,714 | 66,275,695 |
| Total liabilities and members' equity | $ 128,366,106 | $ 138,338,836 |

See accompanying notes to consolidated financial statements.

## *Consolidated Statements of Operations*

| | *For the Years Ended December 31,* | |
|---|---|---|
| | **2023** | **2022** |
| Revenues | $ 34,597,657 | $ 26,026,524 |
| Cost of revenues | 10,001,056 | 5,463,228 |
| Gross profit | 24,596,601 | 20,563,296 |
| Operating expenses: | | |
| Selling, general and administrative | 20,522,378 | 18,837,743 |
| Depreciation and amortization | 11,307,800 | 10,597,574 |
| Total operating expenses | 31,830,178 | 29,435,317 |
| Loss from operations | (7,233,577) | (8,872,021) |
| Other income (expense): | | |
| Interest expense | (5,506,427) | (3,821,499) |
| Gain on sale of unconsolidated subsidiary | - | 1,025,637 |
| Other income (expense) | (204,868) | (51,463) |
| Total other expense, net | (5,711,295) | (2,847,325) |
| Loss before income taxes | (12,944,872) | (11,719,346) |
| Income tax benefit (provision) | (765,698) | 1,280,676 |
| Net loss | $ (13,710,570) | $ (10,438,670) |

See accompanying notes to consolidated financial statements.

## *Consolidated Statements of Operations*

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See accompanying notes to consolidated financial statements.

## *Consolidated Statements of Cash Flows*

| | For the Years Ended December 31, | |
|---|---|---|
| | **2023** | **2022** |
| **Cash flows from operating activities:** | | |
| Net loss | $ (13,710,570) | $ (10,438,670) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Amortization of goodwill and intangible assets | 11,179,113 | 10,568,470 |
| Depreciation of fixed assets | 128,687 | 29,104 |
| Amortization of deferred financing costs | 237,783 | 213,726 |
| Amortization of operating lease right-of-use assets | 265,177 | 108,253 |
| Equity-based compensation | 201,589 | - |
| Gain on sale of unconsolidated subsidiary | - | (1,025,637) |
| Loss (gain) on disposal of fixed assets | (11,390) | 43,615 |
| Provision for bad debt | 47,293 | 25,950 |
| Decrease (increase) in: | | |
| Accounts receivable | (1,218,971) | (777,114) |
| Contract assets | (1,396,460) | (2,540,535) |
| Other assets | (428,865) | (535,234) |
| Increase (decrease) in: | | |
| Accounts payable and accrued expenses | (593,573) | 2,012,196 |
| Contract liabilities | 3,834,331 | 3,647,786 |
| Operating lease liabilities | (243,367) | (76,533) |
| Deferred taxes | 424,255 | (1,269,181) |
| Net cash used in operating activities | (1,284,968) | (13,804) |
| **Cash flows from investing activities:** | | |
| Purchase of property and equipment | (441,815) | (238,771) |
| Proceeds from sale of property and equipment | 83,000 | - |
| Contingent consideration paid | - | (1,200,000) |
| Proceeds from sale of unconsolidated subsidiary | - | 1,623,174 |
| Net cash paid for acquisitions | - | (46,109,861) |
| Net cash used in investing activities | (358,815) | (45,925,458) |
| **Cash flows from financing activities:** | | |
| Member contributions | - | 29,025,980 |
| Borrowing on long-term debt | - | 20,100,000 |
| Payment of debt issuance costs | - | (307,500) |
| Repayment of long-term debt | (481,000) | (378,894) |
| Member distributions | - | (250,000) |
| Net cash provided by (used in) financing activities | (481,000) | 48,189,586 |
| Net change in cash and restricted cash | (2,124,783) | 2,250,324 |
| Cash and restricted cash at beginning of year | 4,303,737 | 2,053,413 |
| Cash and restricted cash at end of year | $ 2,178,954 | $ 4,303,737 |
| **Supplemental disclosure of cash flow information:** | | |
| Cash paid for interest | $ 5,102,711 | $ 3,053,817 |
| Cash paid for income taxes | 110,538 | 1,916 |
| **Supplemental disclosure of non-cash investing and financing information:** | | |
| Operating lease right-of-use assets and liabilities added through new contracts | $ 357,822 | $ - |
| Operating lease right-of-use assets and liabilities recorded upon adoption of ASC Topic 842, *Leases* | - | 1,175,322 |
| Cash acquired through acquisition | - | 124,418 |
| Contingent consideration settled through issuance of equity | - | 300,000 |
| Measurement period adjustment to goodwill | - | 1,474,328 |
| Rollover equity contributions in acquisitions | - | 6,230,000 |

See accompanying notes to consolidated financial statements.

## 1. Description of Organization and Summary of Significant Accounting Policies

### *Organization*

FS PEP Holdco, LLC is a holding company established for the purpose of acquiring and operating home services related franchisor companies. Through its franchisor entities located throughout the United States, the Company seeks to establish profitable and sustainable franchise systems that provide franchise partners the tools to profitably operate and own a successful home service business.

### *Basis of Presentation and Principles of Consolidation*

The consolidated financial statements presented in conformity with accounting principles generally accepted in the United States of America (US GAAP) and include the accounts of FS PEP Holdco, LLC and its wholly owned subsidiaries: Five Star Connect, Inc.; Gotcha Covered Franchising, LLC; Ringside Development Company; Bio-One IP Group; LLC, Ringside Group, LLC; Mosquito Shield Franchise, LLC; 1-800-Packounts Holdco, LLC; and Five Star Franchising, LLC and its wholly owned subsidiary Five Star Bath, LLC.

FS PEP Holdco, LLC was formed on April 9, 2021 (date of inception) and during 2021 began acquiring operating companies. The consolidated financial statements reflect the operations of FS PEP Holdco, LLC and all of its subsidiaries (collectively the Company). All intercompany balances and transactions have been eliminated in consolidation.

### *Use of Estimates*

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### *Concentrations of Credit Risk*

The Company maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. To date, the Company has not experienced a loss or lack of access to its invested cash and cash equivalents; however, no assurance can be provided that access to the Company's invested cash will not be impacted by adverse conditions in the financial markets.

### *Restricted Cash*

Restricted cash balances relate to cash franchisees contribute to the Company's national branding funds. Cash contributed by franchisees to the national branding funds are to be used in accordance with the franchise agreements with a focus on marketing and advertising.

### *Accounts Receivable*

Accounts receivable consist of amounts due on franchisee accounts for various fees including royalties, support fees, branding fees, insurance, training, and expendable equipment. The allowance for credit losses and other reserves are based upon the Company's historical experience with franchisees and considers the age of the receivable and the franchisees' ability to pay. Accounts are written-off when determined to be uncollectible and all reasonable efforts to collect the receivable have been exhausted. Accounts receivable do not include any amounts for interest. An allowance for credit losses of $105,953 and $58,660 was accrued as of December 31, 2023 and 2022, respectively.

### *Notes Receivable*

Some franchise agreements allow for the financing of initial franchising fees over a term of one to five years. These receivables bear interest ranging from 4.00% to 10.00% and are reviewed for collectability by assessing the franchisee's completion of training, commencing operations, and revenue generation. As of December 31, 2023 and 2022, the Company had $239,770 and $436,865 outstanding on notes receivable, which have been included in the other assets account on the accompanying consolidated balance sheets.

*Contract Assets*
The Company incurs broker or sales commission expenses paid to third parties to obtain franchise agreements with franchisees. The commissions are related to franchise fee revenue and are capitalized as contract assets and recognized over the term of the respective franchise agreement.

*Goodwill and Intangible Assets*
Goodwill represents the excess purchase price over fair value of net assets acquired that is not allocable to separately identifiable intangible assets. Other identifiable intangible assets primarily consist of trade names and franchise agreements in place. These assets are amortized using the straight-line method over the estimated useful life of the asset acquired.

The Company amortizes goodwill over a period of ten years. The Company evaluates the recoverability of the carrying amount of goodwill at the entity level whenever events or circumstances indicate the carrying amount may not be recoverable. Management has determined there was no impairment as of December 31, 2023 and 2022.

*Investment in Unconsolidated Subsidiary*
The Company's investment in Joe Homebuyer Franchising, LLC, was owned 50% by Five Star Franchising, LLC and 50% by an outside party. The investment was accounted for under the equity method of accounting. On March 9, 2022, the Company completed the sale of its equity interests in Joe Homebuyer Franchising, LLC to the existing equity partner for $1,623,174. As a result of this sale, the Company recognized a gain of $1,025,637.

*Debt Issuance Costs*
The Company defers costs related to issuing debt and amortizes the costs using the effective interest method, to interest expense over the term of the related debt.

*Revenue Recognition*
The Company primarily derives revenue from royalties, call center services, franchise and license fees, equipment and product sales, and advertising services. Revenue is recognized from these contracts with customers by applying the following steps:

- Identification of the contract, or contracts, with a customer.
- Identification of the performance obligations in a contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, performance obligations are satisfied.

Royalties
The Company sells individual franchises as well as territory agreements (Franchise Agreements) that grant the right to operate a location, using the Company's software and trademarks, generally for a period of five or ten years. The franchisees are equipped with certain equipment and samples and are trained at the Company's facilities. The Franchise Agreements require franchisees to pay continuing fees, or royalties, on a monthly basis based on the terms of the Franchise Agreement. Royalty income is based on either a percentage (generally ranging from 2% to 7%) of franchisee gross sales, minimum monthly payments, or other calculated amounts as defined in the Franchise Agreement and is recognized as the royalties are at the franchisees' point of sale.

Call Center Services

The Company provides certain sales and marketing support services for franchisees, including the operation of a call center for inbound-customer and marketing related calls. The fees associated with the call center are structured as either a fixed monthly fee or a variable fee based on the monthly usage of the call center. Revenue for call center services are recognized during the month that the services are performed.

Franchise Fees

The Franchise Agreements require the franchisee to pay an initial fee to obtain the rights associated with the Franchise Agreements. Initial franchise fee revenue is partially recognized upon substantial completion of the startup services required of the Company. The remainder of the franchise fee revenue is recognized over the term of the Franchise Agreement. All fees collected in advance are deferred until performance obligations are met, and revenue is earned. Deferred amounts are classified as contract liabilities in the accompanying consolidated balance sheets.

Franchise sales resulting from leads furnished by independent franchise brokers are subject to a sales commission. The costs of commissions paid to franchise brokers are capitalized and recognized over the same period as the related revenue.

Equipment and Product Sales

Revenue from the sale of equipment and products is recognized when title and risk of loss transfers to the buyer, which is generally upon shipment.

Advertising Services

Under the terms of the Franchise Agreements, the Company may establish national branding funds and charge a fee of up to 3% of the franchisees' gross receipts to pay for marketing costs that benefit multiple franchises and are used to promote the brands. Marketing revenues and expenses are recognized in equal amounts as marketing expenses are incurred. Any amounts collected but unspent at the end of the year are accrued for as a liability on the accompanying consolidated balance sheets until the related expense has been incurred.

Other Revenues

Other revenues include vendor rebates, fees generated by consulting services, monthly technology access fees and other miscellaneous fees allowable under the terms of the Franchise Agreements. Consulting and other fees are recognized as revenue once the consulting or other services have been performed, these services are short term in nature and provided on a month-to-month basis. Monthly technology access fees are recognized during the month that services are performed.

Amounts recognized as revenue for the different revenue types were as follows for the years ended December 31, 2023 and 2022:

| | 2023 | 2022 |
|---|---|---|
| Royalties | $ 11,447,971 | $ 10,191,623 |
| Call center services | 2,799,481 | 2,977,806 |
| Franchise fees | 4,622,915 | 3,823,573 |
| Equipment and product sales | 2,414,926 | 3,830,583 |
| Advertising services | 7,184,067 | 3,683,755 |
| Other revenues | 6,128,297 | 1,519,184 |
| | $ 34,597,657 | $ 26,026,524 |

***Contract Liabilities***

Contract liabilities represent billings made to or payments received from franchisees for which the related performance obligation has not yet been fulfilled. This primarily consists of franchise fees that have been received but are deferred to be recognized over the term of the franchise agreement. Deposits for conferences and trainings are also deferred until the point at which the service has been provided.

***Recently Adopted Accounting Pronouncements***

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016- 13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13 or ASC 326). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. During 2019, the FASB issued additional ASUs amending certain aspects of ASU 2016-13.

On January 1, 2023, the Company adopted ASC 326 and all the related amendments using the modified retrospective method. The Company's adoption did not result in a significant impact to the opening balance of retained earnings and the comparative information has not been adjusted or restated.

***Leases***

Management determines if a contract is or contains a lease at inception or modification of a contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. Control over the use of the identified asset means the lessee has both (a) the right to obtain substantially all of the economic benefits from the use of the asset and (b) the right to direct the use of the asset. Such assets are classified as ROU assets with a corresponding lease liability.

For all arrangements where it is determined that a lease exists, the related ROU assets and lease liabilities are recorded as either operating or finance leases. At inception or modification, the Company calculates the present value of lease payments using the implicit rate determined from the contract or the Company's incremental borrowing rate applicable to the lease, which is determined by estimating what it would cost the Company to borrow a collateralized amount equal to the total lease payments over the lease term based on the contractual terms of the lease and the location of the leased asset. The present value is adjusted for prepaid lease payments, lease incentives, and initial direct costs. Lease expense is recognized for these leases on a straight-line basis over the expected lease term. Non-lease costs, such as common-area maintenance costs, taxes, and insurance, are not included in the measurement of the ROU assets and lease liabilities. The depreciable life of assets and leasehold improvements are limited by the expected lease term.

***Sales Tax***

The Company accounts for sales tax on a net basis and excluded from revenues.

***Shipping and Handling Costs***

The Company classifies freight billed to customers as sales revenue and the related freight costs as cost of sales.

***Advertising and Marketing***

Advertising and marketing costs included in operating expenses primarily consist of collateral marketing materials and are expensed as incurred. These costs are included in general and administrative expenses and were $1,963,625 and $2,153,360 during the years ended December 31, 2023 and 2022, respectively.

***Income Taxes***

The Company is a limited liability company under provisions of the Internal Revenue Code and has elected to be treated as a partnership for income tax purposes. As such, the payment and recognition of income taxes are the responsibility of the members of the Company.

The Company files income tax returns in the US federal and state jurisdictions. The Company is generally subject to US federal, state and local income tax examination by tax authorities for a period of three years from the date of filing. The Company is not currently under examination in any jurisdiction in which it operates.

The Company is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority, based on the technical merits of the position. The tax benefits recognized are measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant taxing authorities. Based on its analysis, the Company has determined that it has not incurred any liability for unrecognized tax benefits as of December 31, 2023. The Company does not expect that its assessment regarding unrecognized tax benefits will materially change over the next 12 months.

Certain subsidiaries of the Company recognize deferred income tax assets and liabilities for the expected future tax consequences of events that have been included in the subsidiary financial statements or tax returns. Under this method, deferred income tax assets and liabilities are determined based on the difference between financial statement and tax bases of assets and liabilities using estimated tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are recognized only if it is more likely than not that the asset will be realized in future years.

***Subsequent Events***

Management has evaluated events and transactions for potential recognition or disclosure through April 5, 2024, which is the day the consolidated financial statements were available to be issued.

## 2. Acquisitions of Subsidiary Entities

During the year ended December 31, 2022, the Company entered into the following acquisition agreements:

On January 31, 2022, the Company entered into a securities purchase agreement to acquire 100% of the equity interests in 1-800-Packouts, LLC (Packouts). The securities purchase agreement included payment of rollover interest of $4,230,000 wherein the former owner was granted an ownership interest in the Company, which was included in the total consideration paid for the acquisition. The securities purchase agreements also included two delayed cash payments of $1,000,000 made in June 2023 and December 2023. These payments were valued at present value of $1,795,418 as of the acquisition date. This amount was accrued and included in the 2022 issued financials.

On March 11, 2022, the Company entered into a securities purchase agreement to acquire 100% of the equity interests in Mosquito Shield Finance Corporation (Mosquito Shield). The securities purchase agreement included payment of rollover interest of $2,000,000 wherein the former owner was granted an ownership interest in the Company, which was included in the total consideration paid for the acquisition.

In relation to these acquisitions, the Company elected to early adopt Accounting Standards Update 2021-08, *Business Combinations* (ASU 2021-08). ASU 2021-08 allows a Company to recognize and measure contract assets and contract liabilities in accordance with ASC 606, *Revenue from Contracts with Customers*. Accordingly, the contract assets and contract liabilities were recognized at carryover value from the predecessor, rather than at fair value.

The following is a summary of the estimated fair values of the assets acquired and the liabilities assumed with each acquisition during the year ended December 31, 2022:

| | Packouts | Mosquito Shield |
|---|---|---|
| Cash | $ 5,966 | $ 118,452 |
| Accounts receivable | 117,678 | 584,222 |
| Contract assets | - | 7,878,108 |
| Other assets | 49,810 | 392,928 |
| Operating lease right-of-use asset | 86,718 | - |
| Trade name | 4,380,000 | 6,600,000 |
| Franchise agreements | 1,790,000 | 11,200,000 |
| Goodwill | 18,214,963 | 12,067,365 |
| Liabilities assumed | (86,718) | (10,935,213) |
| Total purchase price | $ 24,558,417 | $ 27,905,862 |

Each of these transactions have been accounted for as a business combination using the acquisition method and the operations of the acquired entities have been consolidated with the operations of the Company as of the respective dates of the transactions.

The assets acquired and liabilities assumed were recorded based on their estimated fair values as of the date of acquisition as determined by management. The excess of the purchase price over the fair values of assets acquired and liabilities assumed was recorded as goodwill. The value of goodwill recognized in connection with the transactions can be attributed to a number of business factors including, but not limited to, the ability of the Company to grow given the additional capital and strategic expertise brought to the Company by the new ownership group.

Trade names were valued using a relief from royalty discounted cash flows method. Franchise agreements were valued using excess of earnings discounted cash flows method. The estimated useful lives of trade names is 15 years, franchise agreements is 13 to 15 years, and goodwill is 10 years.

### 3. Goodwill and Intangible Assets

Goodwill and intangible assets consist of the following as of December 31:

| | 2023 | 2022 |
|---|---|---|
| Trade name | $ 27,550,000 | $ 27,550,000 |
| Franchise agreements | 30,900,000 | 30,900,000 |
| Goodwill | 72,717,748 | 72,717,748 |
| Total intangible assets | 131,167,748 | 131,167,748 |
| Less: accumulated amortization | (24,290,616) | (13,111,503) |
| Intangible assets, net | $ 106,877,132 | $ 118,056,245 |

Amortization expense resulting from goodwill and intangible assets was $11,179,113 and $10,568,470 for the years ended December 31, 2023 and 2022, respectively.

The future aggregate amounts of amortization expense to be recognized related to definite-lived intangible assets as of December 31, 2023 are as follows:

| Years Ending December 31, | | |
|---|---|---|
| 2024 | $ | 11,186,801 |
| 2025 | | 11,186,801 |
| 2026 | | 11,186,801 |
| 2027 | | 11,186,801 |
| 2028 | | 11,186,801 |
| Thereafter | | 50,943,127 |
| | $ | 106,877,132 |

**4. Long-Term Debt**

In connection with the acquisitions of the subsidiary companies, the Company entered into a financing arrangement with Deerpath Fund Services, LLC (Deerpath) that matures on September 3, 2026. Under the financing arrangement, the Company received an initial term loan with a principal amount of $28,000,000, to be used for the 2021 acquisitions as well as amounts available for future transactions as follows: (1) up to an aggregate of $15,000,000 available as delayed draw term loans, which was fully used for the Packouts and Mosquito Shield acquisitions in 2022, and (2) contingent amounts of up to $25,000,000 available for future financing to be negotiated, of which $5,100,000 had been drawn for the Mosquito Shield acquisition. The loans bear interest rate of a 3-month term SOFR plus 5.65% (11.04% as of December 31, 2023). As of December 31, 2023 and 2022, the amount drawn on the facility was $48,100,000. The facility also provides for a revolving line with available draws up to $2,000,000, which had not been drawn on as of December 31, 2023 and 2022.

During 2022, the Company had also entered into short term notes payable with former owners of the subsidiary entities in the amount of $78,594. These amounts have no specific maturity date or repayment schedule, but were fully repaid in 2022. As part of the acquisition of Mosquito Shield, the Company acquired $59,801 of notes payable to a financial institution that were fully repaid during 2022.

As of December 31, 2023 the Company had future maturities of notes payable as follows:

| Years Ending December 31, | | |
|---|---|---|
| 2024 | $ | 481,000 |
| 2025 | | 481,000 |
| 2026 | | 46,416,500 |
| | | 47,378,500 |
| Less: debt issuance costs | | (749,134) |
| | $ | 46,629,366 |

Future amortization of debt issuance costs for the Company's notes payables as of December 31, 2023 are as follows:

| Years Ending December 31, | | |
|---|---|---|
| 2024 | $ | 255,474 |
| 2025 | | 274,481 |
| 2026 | | 219,179 |
| | $ | 749,134 |

## 5. Operating Leases

The Company has entered into certain operating leases for office space under operating lease arrangements with original lease terms ranging from 36 to 120 months. As of December 31, 2023, there was a weighted average of 5.5 years remaining on the original lease terms. The Company estimated their incremental borrowing rate in calculating the ROU asset and operating lease liability as the rate implicit in the leases were not known, the weighted average incremental borrowing rate used was 5.79%.

The following table reconciles the undiscounted future cash flows to the operating lease liability recorded on the accompanying balance sheet as of December 31, 2023:

| Years Ending December 31, | | |
|---|---|---|
| 2024 | $ | 297,565 |
| 2025 | | 266,383 |
| 2026 | | 260,354 |
| 2027 | | 179,048 |
| 2028 | | 166,598 |
| Thereafter | | 378,010 |
| Total lease payments | | 1,547,958 |
| Less: interest | | (247,996) |
| | $ | 1,299,962 |

Operating lease payments in the table above and operating ROU asset and lease liability on the accompanying balance sheets are shown net of sublease income. Rent expense under the operating leases totaled was $302,043 and $162,279 for the years ended December 31, 2023 and 2022, respectively.

## 6. Commitments and Contingencies

***Litigation***

The Company is involved in legal proceedings from time to time arising in the normal course of business. Management, after consultation with legal counsel, believes that the outcome of these proceedings will not have a material impact on the Company's consolidated financial position, results of operations, or liquidity.

***Employee Agreements***

The Company has entered into employment agreements with certain officers and employees of the Company, which require that certain severance payments are made in the event of termination without cause.

*Indemnification Agreements*

Under the Company's organizational documents, the Company's officers, employees and directors are indemnified against certain liabilities arising out of the performance of their duties. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company expects any risk of loss to be remote. The Company also has an insurance policy for its directors and officers to insure them against liabilities arising from the performance of their duties in their positions with the Company or its subsidiaries.

## 7. Related Party Transactions

The Company pays a management fee to a certain member of the Company on an annual basis based on revenues. The Company made payments of management fees of $570,389 and $1,613,745 for services rendered during the years ended December 31, 2023 and 2022, respectively.

The Company provides call center and other management services to another franchisor that is under common ownership. Additionally, the Company incurs certain expenses on behalf of that related franchisor and bills them for costs incurred. Amounts charged for services performed during the years ended December 31, 2023 and 2022, amounted to $250,031 and $86,101, respectively, and are included in revenues. As of December 31, 2023 and 2022, accounts receivable due from this related party were $250,031 and $86,101, respectively.

## 8. Income Taxes

The benefit (provision) for income taxes consists of the following for the years ended December 31, 2023 and 2022:

| | 2023 | 2022 |
|---|---|---|
| Current: | | |
| Federal | $ (262,480) | $ 8,833 |
| State | (78,963) | 2,662 |
| Total current | (341,443) | 11,495 |
| Deferred: | | |
| Federal | (292,567) | 1,048,721 |
| State | (131,688) | 220,460 |
| Total deferred | (424,255) | 1,269,181 |
| Total benefit (provision) for income taxes | $ (765,698) | $ 1,280,676 |

Significant components of the Company's deferred income tax assets (liabilities) are as follows as of December 31:

| | 2023 | 2022 |
|---|---|---|
| Deferred income tax assets (liabilities): | | |
| Intangible assets | $ (5,747,861) | $ (5,340,652) |
| Deferred costs | (16,114) | (62,708) |
| Fixed Assets | (44,540) | (35,068) |
| Deferred revenue | 140,945 | 30,312 |
| NOL carryforwards | 166,613 | 290,452 |
| Other | (6,448) | 34,514 |
| | $ (5,507,405) | $ (5,083,150) |

Associated with the acquisition of Ringside Development Company, there were $27.5 million of identifiable intangible assets that were acquired. Ringside Development Company is structured as a C-Corporation for income tax purposes and thus is responsible for accruing the provision (benefit) for income taxes attributable to operations. This transaction was not a taxable transaction for income tax purposes and thus the tax liabilities associated with intangible assets are classified as permanent differences because they are not timing differences that will eventually be recognized in the tax return. This liability is recorded to accrue for the future tax effect that would occur if the intangible assets were to be recovered at the recorded carrying value as there is an assumption that all assets will be used in service or sold, thus a deferred tax liability is established to account for the future tax effect of recovery.

The benefit (provision) for income taxes attributable to loss before income taxes differed from the amount obtained by applying the federal statutory income tax rate to loss before income taxes due to tax rate adjustments, state taxes, permanent differences in deductible goodwill amortization, and prior period adjustments and true-ups.

Note that for U.S. Federal income tax purposes, given the change in control that occurred pursuant to the acquisition of Five Star Connect, Inc. and Ringside Development Company, the Company's net operating loss carryforwards are subject to Internal Revenue Code (IRC) Section 382 which, as determined by IRC Section 382, the net operating loss carryforwards and tax credits generated as of the acquisition date may be limited in their annual usage in the future.

As the acquisitions that occurred in 2021 were structured as stock purchases, the resulting definite-lived intangible assets recognized carried a tax basis of $0. Accordingly, the amortization expense recognized for U.S. GAAP purposes is not deductible for income tax purposes and is considered a permanent difference.

The Company has concluded that there are no significant uncertain tax positions requiring disclosure, and there are no material amounts of unrecognized tax benefits.

**9. Subsequent Events**

In March 2024, the Company completed an acquisition of the brand, Card My Yard, from a related party. The acquisition was settled primarily for an exchange of equity in the Company.

# EXHIBIT D

## BRAND STANDARDS MANUAL

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Policy & Procedures Manual


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# EXHIBIT E

## LIST OF CURRENT AND FORMER FRANCHISEES

**Current Franchisees as of December 31, 2025:**

| Owner | Address | City | State / Province | Phone Number |
|---|---|---|---|---|
| Terri Morris | 145 Cramond Circle S.E., Calgary, AB T3M-IE5 | Calgary | AB | (403) 921-0100 |
| Tamara Cluff | 102, 9333 - 47 Street, Edmonton, AB T6B2R7 | Edmonton | AB | (780) 906-6363 |
| James Greg Smith | 117 Moore Springs Circle, Huntsville, AL 35811 | Huntsville | AL | (256) 603-5807 |
| Kendall Walters | 13147 Etta Smith Road, Summerdale, AL 36580 | Summerdale | AL | (251) 550-8547 |
| Chris DeBartolo | 11 CARGILL CIRCLE, BELLA VISTA, AR 72715 | BELLA VISTA | AR | (708) 945-7298 |
| Yulia Venedektova | 5751 S. Cobblestone Dr, Chandler, AZ 85249 | Chandler | AZ | (206) 353-9779 |
| Kara Langley | 1679 S Perdita Rd, Dewey, AZ 86327 | Dewey | AZ | (928) 642-7901 |
| Jack Eddy, Lisa Eddy | 12410 W. Bajada Rd, Peoria, AZ 85383 | Peoria | AZ | (623) 512-3827 |
| Scott Quinlan | 10944 E NORTH LANE, SCOTTSDALE, AZ 85259 | SCOTTSDALE | AZ | (612) 840-6405 |
| Kathy Cantoli | 9757 North Blue Bonnet Road, Tucson, AZ 85742 | Tucson | AZ | (520) 820-8529 |
| Ellen Brown | 6767 W Marron Dr Queen Creek, AZ 85144 | Queen Creek | AZ | (480) 335-2828 |
| Sabrina Martn | 1455 West K Street, Benicia, CA 94510 | Benicia | CA | (720) 233-1816 |
| Doug Roberto | N/A | Los Angeles | CA | (310) 435-2594 |
| Duwayne Muldrow | 54 Vinca Ct., Oakley, CA 94561 | Oakley | CA | (707) 391-2850 |

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|---|---|---|---|---|
| Louise Brennan, Scott Brennan | 6259 South Newbern Way, Aurora, CO 80016 | Aurora | CO | (720) 272-4573 |
| Dylan Battaglia | 16556 Shoshone St, Broomfield, CO 80023 | Broomfield | CO | (423) 465-7031 |
| Barry Brown | 6638 Charter Drive, Colorado Springs, CO 80918 | Colorado Springs | CO | (719) 717-9955 |
| Susan Terry | 1709 West Mountain Maple Ave, Highlands Ranch, CO 80129 | Highlands Ranch | CO | (303) 956-8898 |
| Heidi Elkins | 3870 Wynwood Circle, Highlands Ranch, CO 80126 | Highlands Ranch | CO | (303) 881-1642 |
| Tracy Imhof | 10182 Deerfield St, Longmont, CO 80504 | Longmont | CO | (303) 514-5685 |
| John Aronson, Julie Aronson | 650 E. Kings Deer Point, Monument, CO 80132 | Monument | CO | (719) 358-7757 |
| Kristyn Boland, Mark Boland | 1001 Grand Ave Suite 102, Silt, CO 81601 | Silt | CO | (970) 945-4010 |
| Chris Weir and Travis Sulstrom | 7834 Bristle Cone Place Lone Tree, CO 80124 | Lone Tree | CO | (303) 808-3813 |
| Hailey Handzel | 32 Arlington Road, West Hanford, CT 06107 | West Hanford | CT | (516) 610-4545 |
| Eric Kibort | 5223 Adega, Bradenton, FL 34211 | Bradenton | FL | (440) 876-7321 |
| Amy Herzig, David Herzig | 1813 SW 41st St., Cape Coral, FL 33914 | Cape Coral | FL | (239) 225-1000 |
| Brian Campbell, Tenesia Campbell | 150 Captain Hook Way, Davenport, FL 33837 | Davenport | FL | (407) 541-0048 |
| Kara Pisani | 120 Segovia Way, Jupiter, FL 33458 | Jupiter | FL | (914) 714-0827 |
| Alejandra Lopez, Jose Carvajal | 340 Harbor Court, Key Biscayne, FL 33149 | Key Biscayne | FL | (305) 560-4467 |
| Mercedes Otegui | 1601 Micanopy Ave, Miami, FL 33133 | Miami | FL | (305) 842-7377 |

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|---|---|---|---|---|
| Handy Pernalete Speranzoni | 19716 Wyndmill Cir, Odessa, FL 33556 | Odessa | FL | (813) 934-1691 |
| Andre Vasconcellos, Marcella Vasconcellos | 6100 Lake Ellenor Dr. Suite 203, Orlando, FL 32809 | Orlando | FL | (407) 984-6226 |
| Gabriel Vargas, Sylvia Vargas | 4150 Eastgate Dr. Apt 2306, Orlando, FL 32811 | Orlando | FL | (407) 907-3391 |
| Russell Dull | 973 Boeing St NE, Palm Bay, FL 32907 | Palm Bay | FL | (405) 274-6442 |
| Deborah J. McAlister, Roger McAlister | 35 Prince Anthony Lane, Palm Coast, FL 32164 | Palm Coast | FL | (561) 445-0391 |
| Giancarlo Ottolino | 3586 SW Conibear St, Port St. Lucie, FL 34953 | Port St. Lucie | FL | (772) 251-8496 |
| Shawn Coston | 17596 Fallen Branch Way, Punta Gorda, FL 33982 | Punta Gorda | FL | (647) 535-1112 |
| Kelly D'Innocenti | 351 Stone Creek Circle, Saint Johns, FL 32259 | Saint Johns | FL | (954) 707-9644 |
| Jacquelyn Mcclerkin | 279 Elm Creek Dr, St Augustine, FL 32082 | St Augustine | FL | (954) 394-2438 |
| Eric Curry, Nick Martoni | 1560 Central Ave Unit 422, St. Petersburg, FL 33705 | St. Petersburg | FL | (303) 378-5360 |
| Andrea Bustillo | 9962 Nob Hill Lane, Sunrise, FL 33351 | Sunrise | FL | 573015593624 |
| Khaled Alhamzawi | 16008 Langhorne Ct, Tampa, FL 33647 | Tampa | FL | (704) 858-0534 |
| Alex Aust | 1242 Terrystone Ct, Weston, FL 33326 | Weston | FL | (305) 439-0745 |
| Larry Fussell, Svetlana Fussell | 15498 Sandfield Loop, Winter Garden, FL 34787 | Winter Garden | FL | (863) 450-8614 |
| Maria De La Salas | 607 CASCADE FALLS DR Weston, FL 33327 | Weston | FL | (305) 842-0371 |
| Hampton Switzer | 944 Persimmon Point, Atlanta, GA 30328 | Atlanta | GA | (404) 918-1662 |

| | | | | |
|---|---|---|---|---|
| Ian & Tiffany McCormack | 3983 Crimson Ridge Way, Buford, GA 30518 | Buford | GA | (678) 629-9567 |
| Michael Cameron | 1295 Dresden Dr Unit 240, NE Brookhaven, GA 30319 | NE Brookhaven | GA | (404) 723-5131 |
| Sarah Morrison | 1481 40th Street Pl, Marion, IA 52302 | Marion | IA | (818) 825-6469 |
| Tanya Heilman | 9233 W State St, Garden City, ID 83714 | Garden City | ID | (208) 964-8773 |
| Jivesh Toor | 1016 N Kingsbury St, Chicago, IL 60610 | Chicago | IL | (872) 801-8888 |
| Travis and Shayla Griggs | 1528 N Monitor Ave, Chicago, IL 60651 | Chicago | IL | (773) 809-0181 |
| Brian Kettner, Randal Detert | 4601 N Western Ave, Chicago, IL 60625 | Chicago | IL | (847) 340-9177 |
| Boone Ott | 490 Yorkshire Ct, Grayslake, IL 60030 | Grayslake | IL | (620) 688-1271 |
| Vinay Iyer | 14052 Knightstown Dr E, Carmel, IN 46033 | Carmel | IN | (317) 628-0420 |
| Brandon Shane | 814 Pentolina Drive, Fort Wayne, IN 46845 | Fort Wayne | IN | (317) 850-3971 |
| Chuck & Lindsey Smith | 13502 POINTVIEW COURT, Louisville, KY 40299 | Louisville | KY | (847) 732-6299 |
| Wendy Schmidt | 1203 Westgate Rd, Lafayette, LA 70506 | Lafayette | LA | (337) 988-6044 |
| Christopher Dekeon | 57 Woodland Dr, Haverhill, MA 1830 | Haverhill | MA | (978) 230-7177 |
| Brittany Watson, Jacob Watson | 3267 Huntsman Dr, Huntingtown, MD 20639 | Huntingtown | MD | (972) 757-9520 |
| Nicole Allor | 30850 Hickey Road, Chesterfield, MI 48051 | Chesterfield | MI | (586) 484-7860 |
| Judy Cisler | 6161 28th St SE Suite 7, Grand Rapids, MI 49546 | Grand Rapids | MI | (616) 304-2657 |

| | | | | |
|---|---|---|---|---|
| Jane Dancey | 38753 Hampton Court, Harrison Township, MI 48045 | Harrison Township | MI | (586) 747-1267 |
| Laura Maniccia | 911 Fairfield Court, South Lyon, MI 48178 | South Lyon | MI | (734) 657-3612 |
| Kathleen Raph | 14227 Olive St NW, Andover, MN 55304 | Andover | MN | (612) 910-8215 |
| Charlie Bever | 18763 Aubrie Court, Eden Prairie, MN 55347 | Eden Prairie | MN | (952) 679-0049 |
| Erin Stojmenovic | 3817 W 55th St., Edina, MN 55410 | Edina | MN | (850) 865-7353 |
| Jeffrey Barnum | 15468 75th Place N, Maple Grove, MN 55311 | Maple Grove | MN | (612) 998-6948 |
| Nathan Manthei | 3019 Bryant Ave South #206, Minneapolis, MN 55408 | Minneapolis | MN | (612) 394-4355 |
| Christopher Kartschoke | 3326 Fox Tail Trail NW, Prior Lake, MN 55372 | Prior Lake | MN | (612) 839-2124 |
| Julianne Sixel | 4205 Utica Avenue South, Saint Louis Park, MN 55416 | Saint Louis Park | MN | (952) 836-5274 |
| Daniel Sogin | 574 Mount Curve Blvd, St. Paul, MN 55116 | St. Paul | MN | (651) 387-0997 |
| Gressa Schroeder | 8804 Springwood Alcove, Woodbury, MN 55125 | Woodbury | MN | (651) 571-0525 |
| Daniel Buerges | 13705 La Rivera Ct, St. Louis, MO 63128 | St. Louis | MO | (636) 633-1371 |
| Clifford Oberg | 1181 Mill Creek Drive, Bigfork, MT 59911 | Bigfork | MT | (406) 885-7310 |
| Kari McPherson, HarryBasham | 232 Farview Drive #3 Kalispel, MT 59901 | Kalispel | MT | (619) 977-4342 |
| Dhwani Mehta | 7318 Timberneck Court, Charlotte, NC 28277 | Charlotte | NC | (551) 998-3385 |

| | | | | |
|---|---|---|---|---|
| Kenneth Mills | 9628 Ashley Green Court, N.W., Concord, NC 28027 | Concord | NC | (321) 663-6051 |
| Christina Mullen, Thomas Mullen | 7767 Live Oaks Drive, Denver, NC 28037 | Denver | NC | (980) 306-4200 |
| Christopher Fusaro, Donald Gundermann, Frances Fusaro | 219 Turner Way, Hampstead, NC 28443 | Hampstead | NC | (910) 398-3708 |
| Karen & David Esuka | 532 Jones Bluff Way, Knightdale, NC 27545 | Knightdale | NC | (480) 565-0935 |
| Thomas Clapham | 11309 Saddleview Court, Raleigh, NC 27613 | Raleigh | NC | (919) 667-4557 |
| Ted Browne | 3658 Capital Blvd., Raleigh, NC 27604 | Raleigh | NC | (919) 954-7005 |
| DeAnn Von Rueden | 260 6th St, Gardner, ND 58036 | Gardner | ND | (701) 238-6171 |
| Kendra Highley, Michael Highley | 19630 Chandler St, Gretna, NE 68028 | Gretna | NE | (402) 305-2426 |
| Connor Farkas, Scott Farkas | 314 Arch Street, Delran, NJ 08075 | Delran | NJ | (609) 744-5416 |
| Stephanie Bulgar | 200 Van Nostrand Avenue, Englewood, NJ 07631 | Englewood | NJ | (732) 991-6697 |
| Ana Page, Zachary Page | 18 Cayenne Ct, Lumberton, NJ 8048 | Lumberton | NJ | (609) 732-0070 |
| Angela & Jose Zenon | 1835 Palisade Avenue, Teaneck, NJ 7666 | Teaneck | NJ | (917) 756-9939 |
| Alec Jopp, Jackie Tomyn | 3450 Cactus Shadow St Unit 202, Las Vegas, NV 89129 | Las Vegas | NV | (702) 370-2809 |
| Shannon Vrenna | 202 North Main Street, Angola, NY 14006 | Angola | NY | (716) 946-6306 |
| Sharrett Herrera | 515 Shepherd Ave, Brooklyn, NY 11208 | Brooklyn | NY | (305) 310-1508 |
| Tim Schultz | 539 Glen St., Glens Falls, NY 12801 | Glens Falls | NY | (518) 867-2012 |

| | | | | |
|---|---|---|---|---|
| Graham Byers | 73 Bayview Avenue, Port Washington, NY 11050 | Port Washington | NY | (516) 701-0141 |
| Matthew Benedict | 4235 Saint Annes Ct., Avon, OH 44011 | Avon | OH | (440) 654-3888 |
| Brian Thatcher | 8036 Bowfin Road, Blacklick, OH 43004 | Blacklick | OH | (614) 802-1955 |
| Becky O'Meara, Jon O'Meara | 4563 Hyatts Road, Delaware, OH 43015 | Delaware | OH | (614) 403-3704 |
| Jennifer Tama | 1163 Chapman Ln, Medina, OH 44254 | Medina | OH | (330) 592-2398 |
| Emily Maglott | 2212 Lake Rockwell Road, Ravenna, OH 44266 | Ravenna | OH | (330) 954-3078 |
| Bryan Baldwin, Michael Chad Ward, Rebecca Ward | 9852 W. Charter Oak Rd., Edmond, OK 73025 | Edmond | OK | (832) 334-6243 |
| Jake Brownlow | 2609 Ridge Estates Dr., Yukon, OK 73099 | Yukon | OK | (405) 640-1527 |
| Akashbhai Kachhiyapatel, Riddhiben Suthar | 2826 Richmond Road, Ottawa, ON K2B6S5 | Ottawa | ON | (343) 542-5810 |
| Lynn Lynch, Sean Lynch | 318 N Shenandoah Dr, Latrobe, PA 15650 | Latrobe | PA | (724) 493-6652 |
| Joshua Kish | 305 Bellcrest Pl, Pittsburgh, PA 15237 | Pittsburgh | PA | (412) 443-7831 |
| Gina McKendry | 72 Remington Way, West Grove, PA 19390 | West Grove | PA | (484) 999-4653 |
| Michael Billet | 629 Harvest Dr, York, PA 17404 | York | PA | (717) 779-2909 |
| Kristin Re | 390 Glen Farm Rd, Portsmouth, RI 02871 | Portsmouth | RI | (503) 260-3265 |
| Marc Zimmank | 800 foundation St, Unit 1311, Charleston, SC 29492 | Charleston | SC | (808) 222-1407 |
| John M. Ocenas, John P. Ocenas | 9281 Marina Parkway, Myrtle Beach, SC 29572 | Myrtle Beach | SC | (570) 780-9460 |

| | | | | |
|---|---|---|---|---|
| Robert Luley | 2651 Aspen Terrace, Rock Hill, SC 29732 | Rock Hill | SC | (704) 363-3870 |
| Susan Tjarks | 1507 Pebble Beach Road, Mitchell, SD 57301 | Mitchell | SD | (605) 630-3422 |
| David Meister, Dawn Meister | 5940 Springfield Rd, Rapid City, SD 57703 | Rapid City | SD | (605) 430-5115 |
| Daniel Grossman | 1104 Holly Tree Farms Rd, Brentwood, TN 37027 | Brentwood | TN | (615) 467-3640 |
| Gary Miller | 627 Ashley Mill Drive, Chattanooga, TN 37421 | Chattanooga | TN | (423) 356-0253 |
| John Brynda | 5428 Oak Harbor Lane, Knoxville, TN 37921 | Knoxville | TN | (865) 567-3600 |
| Daniel Grossman Corban Scholz | 1104 Holly Tree Farms Rd Brentwood, TN 37027 | Brentwood | TN | (615) 467-3640 |
| Pamela Necoechea | 4537 Hogans Alley Dr, Arlington, TX 76001 | Arlington | TX | (915) 777-7892 |
| Claudia Carrillo, Rafael Segovia | 1217 Winnie Dr., Austin, TX 78748 | Austin | TX | (512) 998-0520 |
| Cesar Garcia | 1201 Fairlane Square, Channelview, TX 77530 | Channelview | TX | (346) 426-5616 |
| Sophie Soudaiha, Yass Soudaiha, Yasser Murga | 3827 Hillcrest Dr, El Paso, TX 79902 | El Paso | TX | (915) 201-2192 |
| Michael Igleheart, Rita Igleheart | 723 W. University Ave Ste #110-301, Georgetown, TX 78626 | Georgetown | TX | (512) 393-9478 |
| Chris Pelletier | 205 Tharp Dr, Highland Village, TX 75077 | Highland Village | TX | (972) 624-9370 |
| Bernard Robin, Rosa Robin | 1707 Davon Ln, Houston, TX 77058 | Houston | TX | (832) 603-0263 |
| Rafael Garzon | 26218 Upland Ridge Lane, Katy, TX 77494 | Katy | TX | (305) 343-1349 |
| John Kohlschein | 1333 Wentworth Drive, Lewisville, TX 75067 | Lewisville | TX | (412) 443-7831 |

| | | | | |
|---|---|---|---|---|
| Heather McGregor, Rick McGregor | 6305 Crator, McKinney, TX 75070 | McKinney | TX | (972) 757-8247 |
| Daniel McClure, Mary Kaley, Mary McClure | 2506 Gregory Cir, Orange, TX 77630 | Orange | TX | (409) 221-8660 |
| Collies Anderson, Collies Anderson | 20529 Rolling Creek Rd, Pflugerville, TX 78660 | Pflugerville | TX | (773) 517-7854 |
| Mark J Rook | 9796 County Road 2304, Quinlan, TX 75474 | Quinlan | TX | (908) 507-3782 |
| Shon Essman | 26919 Rustic Brk, San Antonio, TX 78261 | San Antonio | TX | (210) 765-6979 |
| Nathan Eldridge, Rachel Leuck | 809 Tennington Ln, Shady Shores, TX 76208 | Shady Shores | TX | (972) 345-3277 |
| Robert & Solangel Ernest | 27902 EMORY COVE DRIVE, Spring, TX 77386 | Spring | TX | (910) 431-4882 |
| Abel Gomez | 5640 Overland Dr, The Colony, TX 75056 | The Colony | TX | (214) 395-0426 |
| Wayne Elmore | 70 Slatestone Circle, The Woodlands, TX 77382 | The Woodlands | TX | (281) 292-7599 |
| Jennifer Leenheer | 11919 Paint Canyon Dr, Tomball, TX 77377 | Tomball | TX | (717) 490-4787 |
| Tracy Webster | 21615 Cypress Rosehill Rd, Tomball, TX 77377 | Tomball | TX | (281) 766-0086 |
| Jackson Civa | 4118 GREEN OAK DR, Waco, TX 76710 | Waco | TX | (254) 262-6160 |
| Deborah Culp | 330 Swift Fox Lane, Charlottesville, VA 22901 | Charlottesville | VA | (434) 973-1300 |
| Ross Carroll, Shan Carroll | 1880 Palmer St, Christianburg, VA 24073 | Christianburg | VA | (540) 250-3502 |
| Chi Park, Hyun Park | 2096 Hutchison Grove Ct, Falls Church, VA 22043 | Falls Church | VA | (703) 798-1363 |

| | | | | |
|---|---|---|---|---|
| Linda Gainer | 12315 Exbury Street, Herndon, VA 20170 | Herndon | VA | (571) 334-4255 |
| Deborah Shook, Jeffery Shook | 8440 Brittewood Circle, Mechanicsville, VA 23116 | Mechanicsville | VA | (804) 752-0011 |
| Karen W. Penafiel | 10504 Turning Leaf Lane, Spotsylvania, VA 22551 | Spotsylvania | VA | (703) 966-0321 |
| Scott Porter | 1817 Malvern Dr, Virginia Beach, VA 23456 | Virginia Beach | VA | (202) 251-2275 |
| Chris Roberdeau | 12807 NE 200TH PLACE, BOTHELL, WA 98011 | BOTHELL | WA | (425) 499-2717 |
| Andrew Maratas | 13426 207th CT SE, Issaquah, WA 98027 | Issaquah | WA | (206) 719-5240 |
| Chad Wallace, Sarah Wallace | 1817 188th Ave NW, Lakeby, WA 98349 | Lakeby | WA | (253) 740-7958 |
| Scott Boisjolie | 13008 NE 104th St, Vancouver, WA 98682 | Vancouver | WA | (425) 894-1740 |
| Jonathan Schloesser | W7001 Sunrise Trail, Appleton, WI 54914 | Appleton | WI | (920) 840-0742 |
| Mark Miskelly | 7446 Old Sauk Rd, Madison, WI 53717 | Madison | WI | (608) 358-4383 |
| Alanna Delrios | 556 Outlook Dr, Twin Lakes, WI 53181 | Twin Lakes | WI | (262) 344-4217 |
| Richard Schmocker | 209 Oak Hill Ct, Watertown, WI 53094 | Watertown | WI | (920) 941-9421 |
| Georgia Prendergast, Lawrence Prendergast | C14-6 Upper Mercer Street, Kitchener, ON N2A 0E4 | Kitchener | ON | (519) 781-3448 |
| Carrie Cook, Michael Cook | 85 Maple Grove Avenue, Timberlea, NS B3T 0E2 | Timberlea | NS | (902) 478-1478 |
| Paulo Moyo | 19 Sage Bank Rd, NW Sage Hill, Calgary, AB T3R 0J7 | Calgary | AB | (403) 478-0495 |

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|---|---|---|---|---|
| Nishi Lagoo | 2305-7325 Arcola Street, Burnaby, BC V5E 0A8 | Burnaby | BC | (604) 790-7960 |

| First Name | Last Name | Business Address | City | State | ZIP | Phone |
|---|---|---|---|---|---|---|
| Kendall | Walters | 27245 Old Pass Lane | Orange Beach Mobile | Alabama | 36561 | 251-550-8547 |
| Kari Jay & Kelly | Hodgen | 198 Prospect Drive | Fort McMurray | Alberta | T9K0 W7 | (780) 791-9110 |
| Louise & Scott | Brennan | 23472 E Briarwood Drive | Aurora | Colorado | 80016 | (303) 693-1266 |
| Kristyn & Mark | Boland | 1001 Grand Ave Suite 102 | Glenwood Springs | Colorado | 81601 | (970) 945-4010 |
| Susan | Terry | 1709 West Mountain Maple Ave. | Highlands Ranch | Colorado | 80129 | (303) 683-1135 |
| Debby & Jay | McAlister | 35 Prince Anthony Lane | Palm Coast | Florida | 32164 | (386) 225-1959 |
| Eric | Curry | 1101 42nd St North | St Petersburg | Florida | 33713 | (303) 378-5360 |
| Sergio | Trenche | 616 N US Hwy 11 | Wimauma-FranConnect has Apollo Beach | Florida | 33572 | (813) 812-6111 |
| Larry & Svetlana | Fussell | 530 Susan B Britt Ct. Suite 270 | Winter Garden | Florida | 34787 | (407) 443-7635 |
| Judy | Cisler | 4444 Breton Rd | Kentwood | Michigan | 49508 | (616) 304-2657 |
| Matthew | Benedict | 33452 Reserve Way at St Andrews | Avon | Ohio | 44011 | (440) 654-3888 |
| John M. John P. | Ocenas | 2616 Henagan Lane | Myrtle Beach | South Carolina | 29588 | 843-945-3293 |
| Cesar | Garcia | 1202 Fairlane Square | Channelview | Texas | 77530 | (346) 426-5616 |
| Mary Kaley | McClure | 2506 Gregory Circle | Orange | Texas | 77630 | (409) 221-8660 |
| Mark J | Rook | 9796 County Rd 2304 | Quinlan | Texas | 75474 | (813) 679-9973 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Tracy | Webster | 21615 Cypress Rosehill Rd | Tomball | Texas | 77377 | (281) 766-0086 |
| Chi & Hyun | Park | 6775 Darrells Grant Pl | Falls Church | Virginia | 22043 | (703) 798-1363 |
| James Greg | Smith | 117 Moore Springs Circle | Huntsville | Alabama | 35811 | 256-603-5807 |
| Terri | Morris | 145 Cramond Cir. SE | Calgary | Alberta | T3M1 E5 | (403) 921-0100 |
| Paulo | Moyo | 19 Sage Bank Rd NW, Sage Hill | Calgary | Alberta | T3R0J 7 | (403) 478-0495 |
| Tamara | Cluff | 11 Otter Cres. | St. Albert | Alberta | T8N6 E7 | (780) 906-6363 |
| Yulia | Venedektova | 5751 S Cobblestone Drive | Chandler | Arizona | 85249 | (206) 353-9779 |
| Ellen | Green | 3808 E Powell Way | Gilbert | Arizona | 85298 | (480) 335-2828 |
| Jack & Lisa | Eddy | 12410 W Bajada Rd | Peoria | Arizona | 85383 | 623-512-3827 |
| Scott | Quinlan | 10944 E North Lane | Scottsdale | Arizona | 85259 | 612-840-6405 |
| Kathy | Cantoli | 9757 N Blue Bonnet Rd | Tucson | Arizona | 85755 | 520.540.8373 |
| Chris | DeBartolo | 11 Cargill Circle | Bella Vista | Arkansas | 72715 | (708) 945-7298 |
| Nishi | Lagoo | 2305-7325 Arcola Street | Burnaby | British Columbia | V5E0 A8 | (604) 202-5178 |
| Sabrina | Martin | 1455 West K Street | Benicia | California | 94510 | 720-233-1816 |
| Duwayne | Muldrow | 54 Vinca Ct BUSINESS ADDRESS: 3130 BALFOUR RD, NUM 147 BRENTWOOD CA 94513 | Oakley | California | 94561 | 925-308-4084 |
| Rob | Muster | 7561 Buena Vista Drive | Rancho Cucamonga | California | 91730 | (909) 527-0404 |
| Ara | Moosakhanian | 11175 Affinity Court 42 | San Diego | California | 92131 | (858) 373-7037 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Barry | Brown | 6638 Charter Drive | Colorado Springs | Colorado | 80918 | (719) 717-9955 |
| Heidi | Elkins | 3870 Wynwood Circle | Highlands Ranch | Colorado | 80126 | 303-881-1642 |
| Tracy | Imhof | 10182 Deerfield Street | Longmont | Colorado | 80504 | (303) 514-5685 |
| John & Julie | Aronson | 650 E Kings Deer Pt | Monument | Colorado | 80132 | (719) 358-7757 |
| Chris | Weir | 16435 Wild Berry Road | Morrison | Colorado | 80465 | (303) 906-2493 |
| Hailey | Handzel | 32 Arlington Road | West Hartford | Connecticut | 06107 | (516) 610-4545 |
| Stephanie | Bulgar | 7064 Mandarin Drive | Boca Raton | Florida | 33433 | (732) 991-6697 |
| Jane | Dancey | 8870 Emerald Isle Suite 102 & 103 | Bonita Springs | Florida | 34135 | (239) 315-3638 |
| Eric | Kibort | 5223 Adega Way | Bradenton | Florida | 34211 | 440-876-7321 |
| Amy & David | Herzig | 1813 SW 41st Street | Cape Coral | Florida | 33914 | (239) 225-1000 |
| Brian & Tenesia | Campbell | 359 Villa Sorrento Circle | Haines City | Florida | 33844 | (863) 438-4098 |
| Clifford | Oberg | 12969 Helm Drive | Jacksonville | Florida | 32258 | 904-287-0164 |
| Alex | Aust | 120 Segovia Way | Jupiter | Florida | 33458 | 561-846-1310 |
| Handy | Pernalete Speranzoni | 20545 Calla Lily Dr | Land O'lakes | Florida | 34638 | (813) 934-1691 |
| Gabriel & Sylvia | Vargas | 1300 N Marcy Drive | Longwood | Florida | 32750 | (407) 907-3391 |
| Mercedes | Garcia Otegui | 1601 Micanopy Ave | Miami | Florida | 33133 | (305) 842-7377 |
| Charlie | Bever | 11417 Jacaranda Drive | Naples | FLorida | 34120 | (239) 206-9988 |
| Russell | Dull | 973 Boeing St NE | Palm Bay | Florida | 82907 | (321) 344-3044 |
| Jose | Carvajal | 1021 NW 104th Ave | Plantation | Florida | 33322 | (305) 560-4467 |
| Alain | Tiangco | 1500 S Ocean Blvd Unit 1102 | Pompano Beach | Florida | 33062 | (706) 358-1225 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Giancarlo | Ottolino | 3586 SW Conibear St | Port Saint Lucie | Florida | 34953 | 772-758-2819 |
| Shawn | Coston | 15203 Jadestone Drive | Punta Gorda | Florida | 33982 | (647) 535-1112 |
| Andre & Marcella | Vasconcellos | 5303 Brydon Woods Circle | Saint Cloud | Florida | 34771 | (407) 984-6226 |
| Kelly | D'Innocenti | 351 Stone Creek Circle | Saint Johns | Florida | 32259 | (954) 707-9644 |
| Erin | Stojmenovic | 14 Grayton Blvd | Santa Rosa Beach | Florida | 32459 | (850) 865-7353 |
| Victoria | Palomo | 3015 Bucida Drive | Sarasota | Florida | 34232 | 720-758-0422 |
| Jacquelyn | McClerkin | 279 Elm Creek Drive | St Augustine | Florida | 32092 | (954) 394-2438 |
| Khaled | Alhamzawi | 16008 Langhorne Ct | Tampa | Florida | 33647 | (704) 858-0534 |
| Maria | De La Salas | 607 Cascade Falls Drive | Weston | Florida | 33327 | (305) 842-4334 |
| Laura | Maniccia | 101 Meadowlark Trace | Peachtree City | GA | 30269 | 934-657-3612 |
| Eric | Gitonga | 3357 McEver Park Circle | Acworth | Georgia | 30101 | (678) 358-5419 |
| David | Green | 332 Springdale Dr NE | Atlanta | Georgia | 30305 | 404-975-3514 |
| Michael | Cameron | 1295 Dresden Drive Unit 240 | Brookhaven | Georgia | 30319 | (404) 723-5131 |
| Hampton | Switzer | 1258 Daniell Drive SE | Smyrna | Georgia | 30080 | (404) 918-1662 |
| Tanya | Heilman | 53 N Plummer | Star | Idaho | 83669 | (208) 964-8773 |
| Travis & Shayla | Griggs | 1528 N Monitor Ave | Chicago | Illinois | 60651 | 773-574-9924 |
| Brian | Kettner | 7224 N Hamilton Ave | Chicago | Illinois | 60645 | (773) 761-1100 |
| Jivesh | Toor | 1016 N Kingsbury St | Chicago | Illinois | 60610 | (872) 801-8888 |
| Vinay | Iyer | 12792 Ford dr | Fishers | Indiana | 46038 | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Brandon | Shane | 814 Pentolina Drive | Fort Wayne | Indiana | 46845 | 317-850-3971 |
| Dennis | Siebert | 28330 Cedar Creek Drive | Sunman | Indiana | 47041 | (812) 525-1763 |
| Sarah | Morrison | 1481 40th Street Pl | Marion | Iowa | 52302 | 818-825-6469 |
| Nicole | Layman | 5705 Old Lakeport Rd | Sioux City | Iowa | 51106 | (712) 490-4787 |
| Chuck & Lindsey | Smith | 13502 Pointview Court | Louisville | Kentucky | 40299 | (502) 693-5302 |
| Wende | Schmidt | 1203 Westgate Rd | Lafayette | Louisiana | 70506 | (337) 988-6044 |
| Heather & Jason | Roper | 22112 Arthur Lane | Ponchatoula | Louisiana | 70454 | (985) 969-6431 |
| Brittney & Jacob | Watson | 3267 Huntsman Drive | Huntingtown | Maryland | 20369 | (972) 757-9520 |
| Thomas | Coker | 909 Louis Lane | Kingsville | Maryland | 21087 | 443-632-4344 |
| Christopher | Dekeon | 57 Woodland Drive | Haverhill | Massachusetts | 01830 | (978) 230-7177 |
| Nicole | Allor | 27270 Houghton Dr | Chesterfield | Michigan | 48051 | (586) 484-7860 |
| Adam | Shaffer | 34011 Schulte Drive | Farmington | Michigan | 48335 | (608) 449-6063 |
| Jeffrey | Barnum | 15468 75th Place N | Maple Grove | Minnesota | 55311 | (952) 223-7265 |
| Kathleen | Raph | 19437 Nightingale St NW | Oak Grove | Minnesota | 55011 | (612) 910-8215 |
| Gressa | Schroeder | 659 Hayward Ave. | Oakdale | Minnesota | 55128 | (651) 571-0525 |
| Christopher | Kartschoke | 3326 Fox Tail Trail NW | Prior Lake | Minnesota | 55372 | 612-839-2124 |
| Nathan | Manthei | 836 Manomin Ave | Saint Paul | Minnesota | 55107 | (612) 394-4355 |
| Daniel | Sogin | 574 Mt Curve Blvd | St Paul | Minnesota | 55116 | (651) 698-8386 |
| Mike & Teri | Hull | 18 Belfort Court | Lake Saint Louis | Missouri | 63367 | (636) 338-1900 |
| Daniel | Buerges | 13705 La Rivera Ct. | St Louis | Missouri | 63128 | 636-633-1371 |

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|---|---|---|---|---|---|---|
| Dulcie | Berube | 1615 Riparian Drive | Columbia Falls | Montana | 59912 | (406) 461-1195 |
| Kendra & Michael | Highley | 19630 Chandler Street | Gretna | Nebraska | 68028 | (402) 305-2426 |
| Alec | Jopp | 2319 Barbers Point Place | Las Vegas | Nevada | 89134 | (702) 533-7051 |
| Scott | Farkas | 314 Arch Street | Delran | New Jersey | 08075 | (609) 784-3003 |
| Ana & Zachary | Page | 18 Cayenne Court | Lumberton | New Jersey | 08048 | (609) 732-0070 |
| Shannon | Vrenna | 202 N Main St | Angola | New York | 14006 | (716) 344-0062 |
| Tim | Schultz | 539 Glen St | Glens Falls | New York | 12801 | (518) 867-2012 |
| Graham | Byers | 73 Bayview Ave | Port Washington | New York | 11050 | (516) 701-0141 |
| Dhwani | Mehta | 7318 Timberneck Court | Charlotte | North Carolina | 28277 | (551) 998-3385 |
| Kenneth | Mills | 9628 Ashley Green Court NW | Concord | North Carolina | 28027 | (321) 663-6051 |
| Christina & Thomas | Mullen | 77767 Live Oaks Drive | Denver | North Carolina | 28037 | (980) 306-4200 |
| Christopher (Chip) | Fusaro | 219 Turner Way | Hampstead | North Carolina | 28443 | (910) 406-1256 |
| Ted, Carson & Chase | Browne | 3658 Capital Blvd. | Raleigh | North Carolina | 27604 | (919) 782-7007 |
| Thomas | Clapham | 11309 Saddleview Court | Raleigh | North Carolina | 27613 | (919) 667-4557 |
| DeAnn | Von Rueden | 260 6th St | Gardner | North Dakota | 58036 | (701) 238-6171 |
| Carrie & Michael | Cook | 85 Maple Grove Avenue | Timberlea | Nova Scotia | B3T0E2 | (902) 478-1478 |
| Brian | Thatcher | 8036 Bowfin Rd | Blacklick | Ohio | 43004 | 614-216-5168 |
| Becky & Jon | O'Meara | 4563 Hyatts Road | Delaware | Ohio | 43015 | (614) 403-3704 |
| Jennifer | Tama | 1163 Chapman Lane | Medina | Ohio | 44256 | (330) 592-2398 |
| Emily | Maglott | 2212 Lake Rockwell Rd | Ravenna | Ohio | 44266 | (330) 954-3078 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Bryan | Baldwin | 9852 W Charter Oak Rd | Edmond | Oklahoma | 73025 | (832) 334-6243 |
| Jake | Brownlow | 2609 Ridge Estate Drive | Yukon | Oklahoma | 73099 | (405) 640-1527 |
| Georgia & Lawrence | Prendergast | 220 Sheridan Street | Brantford | Ontario | N3S4 R1 | 519-781-3445 |
| Riddhiben | Suthar | 2826 Richmond Road | Ottawa | Ontario | K3B6 S5 | (343) 543-0169 |
| Julianne | Sixel | 2545 N Willamette Blvd | Portland | Oregon | 97217 | (971) 925-1519 |
| Lynn & Sean | Lynch | 318 N Shenandoah Drive | Latrobe | Pennsylvania | 15650 | 724-493-6652 |
| Andrew Kaighn | Robinson | 1720 Memphis Street | Philadelphia | Pennsylvania | 19125 | (908) 268-0690 |
| Joshua | Kish | 305 Bellcrest Place | Pittsburgh | Pennsylvania | 15237 | 412-443-7831 |
| Gina | McKendry | 72 Remington Way | West Grove | Pennsylvania | 19390 | (484) 999-4653 |
| Michael | Billet | 629 Harvest Dr | York | Pennsylvania | 17404 | (717) 779-2909 |
| Kristin | Re | 390 Glen Farm Rd | Portsmouth | Rhode Island | 02871 | 401-856-9658 |
| Matthew | Koster | 445 Bluegill Lane | Johns Island | South Carolina | 29455 | (216) 780-3811 |
| Robert | Luley | 2651 Aspen Terrace | Rock Hill | South Carolina | 29732 | (704) 363-3870 |
| Susan | Tjarks | 1507 Pepple Beach Rd | Mitchell | South Dakota | 57301 | (605) 996-0155 |
| David & Dawn | Meister | 5940 Springfield Rd | Rapid City | South Dakota | 57703 | (605) 430-5115 |
| Daniel | Grossman | 1104 Holly Tree Farms Rd | Brentwood | Tennessee | 37027 | (908) 507-4878 |
| John | Brynda | 5428 Oak Harbor Lane | Knoxville | Tennessee | 37921 | 865-567-3600 |
| Courtney & Dennison | Myatt | 1344 Whispering Oaks Drive | Lebanon | Tennessee | 37090 | (615) 852-8205 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Gary & Rachel | Miller | 9441 Robinson Farm Road | Ooltewah | Tennessee | 37363 | (423) 356-0253 |
| Claudia | Carrillo | 1217 Winnie Drive | Austin | Texas | 78748 | (512) 998-0520 |
| Michael & Rita | Igleheart | 16238 Ranch Rd 620N Ste F217 | Austin | Texas | 78717 | (512) 850-7585 |
| Pamela | Necoechea | 9709 Holly Springs Drive | Austin | Texas | 78748 | (915) 777-7892 |
| Sophie | Soudaiha | 3827 Hillcrest Drive | El Paso | Texas | 79902 | 915-201-2192 |
| Jennifer | Leenheer | 10037 La Frontera Drive | Fort Worth | Texas | 76179 | (469) 305-8433 |
| Heather & Rick | McGregor | 14772 Caribbean Dr | Frisco | Texas | 75035 | (972) 523-8595 |
| Bernard & Rosa | Robin | 1707 Davon Lane | Houston | Texas | 77058 | (832) 603-0263 |
| Dennis & Shona | Bascon | 2429 Bissonnet #103 | Houston | Texas | 77005 | (713) 331-9427 |
| Rachel | Leuck | 3262 Westheimer Rd. #112 | Houston | Texas | 77098 | 214-676-3141 |
| Rafael | Garzon | 26218 Upland Ridge Lane | Katy | Texas | 77494 | (305) 343-1349 |
| Chris | Pelletier | 1211 Bonham Parkway | Lanfana | Texas | 75077 | (214) 680-6103 |
| John | Kohlschein | 1333 Wentworth Drive | Lewisville | Texas | 75067 | (972) 345-9919 |
| Collies | Anderson | 20529 Rolling Creek Rd | Pflugerville | Texas | 78660 | (773)517-7854 |
| Shon | Essman | 26919 Rustic Brook | San Antonio | Texas | 78261 | 210-758-1580 |
| Ruby | Lopez | 11418 Blue Mesa Drive | San Antonio | Texas | 78245 | (210) 288-5884 |
| Robert & Solangel | Ernest | 27902 Emory Cove Drive | Spring | Texas | 77386 | (832) 510-9192 |
| Abel | Gomez | 5640 Overland Drive | The Colony | Texas | 75056 | (214) 395-0425 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Wayne | Elmore | 70 Slatestone Circle | The Woodlands | Texas | 77382 | (281) 766-4480 |
| Jackson | Civa | 921 Lake Air Dr. Suite B | Waco | Texas | 76710 | (254) 262-6160 |
| Tyler | Hostetter | 35 East Water Lane | Vineyard | Utah | 84059 | (719) 580-1969 |
| Debbie | Culp | 330 Swift Fox Lane | Charlottesville | Virginia | 22901 | (434) 973-1300 |
| Ross & Shan | Carroll | 1880 Palmer St | Christiansburg | Virginia | 24073 | (540) 230-4776 |
| Linda | Gainer | 12315 Exbury Street | Herndon | Virginia | 20170 | (571) 334-4255 |
| Debbie, Tonya & Jeff | Shook | 8440 Brittwood Circle | Mechanicsville | Virginia | 23116 | (804) 752-0011 |
| Karen W. | Penafiel | 10504 Turning Leaf Lane | Spotsylvania | Virginia | 22551 | (703) 966-0321 |
| Andrew | Maratas | 13426 207th Ct SE | Issaquah | Washington | 98027 | (206) 719-5240 |
| Chad & Sarah | Wallace | 1817 188th Ave NW | Lakebay | Washington | 98349 | (253) 740-7958 |
| Jonathan | Schloesser | W7001 Sunrise Trail | Appleton | Wisconsin | 54914 | (920) 840-0742 |
| Mark | Miskelly | 7446 Old Sauk Road | Madison | Wisconsin | 53717 | (608) 729-3300 |
| Alanna | Del Rios | 556 Outlook Drive | Twin Lakes | Wisconsin | 53181 | 262-344-4217 |
| Richard | Schmocker | 209 Oak Hill Court | Watertown | Wisconsin | 53094 | (920) 941-9421 |

*These franchisees operate two franchise locations.

## Franchisees with Unopened Outlets as of December 31, 2025:

| Last Name | First Name | Address | City | State | Zip Code | Phone |
|---|---|---|---|---|---|---|

## Former Franchisees*

The name and last known address of every franchisee who had a Gotcha Covered Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, 2025 to December 31, 2025, or who has not communicated with us within ten (10) weeks of the Issuance Date of this

Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

| Owner | Address | Phone Number |
|---|---|---|
| Ara Moosakhanian | 11175 Affinity Court 42, San Diego, CA 92131 | (858) 373-7037 |
| Kelly Hodgen | 198 Prospect Drive, Fort McMurray, AB T9K-0W7 | (780) 788-5201 |
| David Green | 332 Springdale Dr NE, Atlanta, GA 30305 | (404) 975-3514 |
| Laura Pedersen, Nicole Layman | 5705 Old Lakeport Rd, Sioux City, IA 51106 | (712) 490-4787 |
| Dennis Bascon, Shona Bascon | 2429 Bissonnet St #103, Houston, TX 77005 | (713) 331-9427 |
| Bob Bouyea | 910 Kingsbridge Rd, Columbia, SC 29210 | (803) 530-6527 |
| Dulcie Berube | 1615 Riparian Dr., Columbia Falls, MT 59912 | (406) 461-1195 |
| Courtney Myatt, Dennison Myatt | 1344 Whispering Oaks Drive, Lebanon, TN 37090 | (615) 498-7325 |
| Andrew Robinson | 520 S. Juniper St, Philadelphia, PA 19147 | (908) 268-0690 |
| Javier Weiss | 4192 Pinewood Ln, Weston, FL 33331 | (754) 226-5967 |
| David Smith, Donna Smith | 7 Wandsworth Bridge Way, Lutherville, MD 21093 | (410) 830-0237 |
| Thomas Coker | 909 LOUIS LANE, kingsville, MD 21087 | (443) 632-4344 |
| Roy Goldberger | 7901 4th Street N Suite 300 St, St. Petersburg, FL 33702 | (416) 707-5104 |
| Chris Taylor | 8714 Drummer Plank Dr., Wesley Chapel, FL 33545 | (813) 613-1533 |
| Heather & Jason Roper | 22104 Arthur Lane, Ponchatoula, LA 70454 | (985) 969-6431 |
| Matthew Koster | 445 Bluegill Lane, Johns Island, SC 29455 | (440) 887-9000 |
| Rob & Brittany Muster | 7561 Buena vista Dr, Rancho Cucamonga, CA 91730 | (905) 527-0404 |
| Mike & Teri Hull | 18 Belfort Court, Lake St Louis, MO 63367 | (847) 682-5807 |

| | | |
|---|---|---|
| Linda Sorensen | 4002 N Dustin Ave, Farmington, NM 87401 | (503) 804-4305 |
| Alain Tiangco | 1500 S Ocean Blvd Unit 1102, Pompano Beach, FL 33062 | (917) 974-8256 |
| Eric Gitonga | 3357 mcever park circle, Acworth, GA 30101 | (404) 988-8020 |
| Adam Shaffer | 34011 Schulte Dr, Farmington, MI 48335 | (608) 449-6063 |
| Ruby Lopez | 11418 Blue Mesa Dr, San Antonio, TX 78245 | (210) 288-5884 |
| Dennis Siebert | 28330 Cedar Creek Drive, Sunman, IN 47041 | (812) 525-1763 |
| Tyler Hostetter | 35 East Water Lane, Vineyard, UT 84059 | (719) 580-1969 |

# EXHIBIT F

## STATE ADDENDA
## AND AGREEMENT RIDERS

## STATE ADDENDA AND AGREEMENT RIDERS

## ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR GOTCHA COVERED FRANCHISING, LLC

The following modifications are made to the Gotcha Covered Franchising, LLC ("**Franchisor**," "**us**," "**we**," or "**our**") Franchise Disclosure Document ("**FDD**") given to franchisee ("**Franchisee**," "**you**," or "**your**") and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated _____, 20___ ("**Franchise Agreement**"). When the term "**Franchisor's Choice of Law State**" is used, it means Colorado. When the term "Supplemental Agreements" is used, it means none.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State-Specific Addendum ("**State Addendum**") will modify these agreements to comply with the state's laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements.

### CALIFORNIA

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD.

California Corporations Code Section 31125 requires us to give to you an FDD approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement contains provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Colorado. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California. The Franchise Agreement may contain a mediation provision. If so, the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator's fees.

The Franchise Agreement requires the application of the law of Colorado. This provision may not be enforceable under California law.

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

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

The Franchise Agreement may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement contains a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516).

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

Item 6 of the FDD is amended to state the highest interest rate allowed by law in California is 10% annually.

If your GC Business is located in California you will be required to obtain a Class C-61/D-52 Window Coverings Limited Specialty Contractor License.

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 commencement of the franchise relationship.

In connection with the foregoing, Exhibit H, the Franchise Disclosure Questionnaire, is deleted for all Franchise Agreements entered into relating to a California franchisee.

**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.**

## HAWAII

The following is added to the Cover Page:

**THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.**

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

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

Registered agent in the state authorized to receive service of process:

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

The status of the Franchisor's franchise registrations in the states which require registration is as follows:

1. States in which this proposed registration is effective are listed in Exhibit I of the FDD on the page entitled, "State Effective Dates".

2. States which have refused, by order or otherwise, to register these Franchises are:

   None

3. States which have revoked or suspended the right to offer the Franchises are:

None

4. States in which the proposed registration of these Franchises has been withdrawn are:

None

**ILLINOIS**

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void." The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act."

Item 17.w, Choice of Law, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act".

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the

expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## INDIANA

Item 8 of the FDD is amended to add the following:

> Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

> Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.
>
> Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The "Summary" column in Item 17.r. of the FDD is deleted and the following is inserted in its place:

> No competing business for two (2) years within the Area of Primary Responsibility.

The "Summary" column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

> Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The "Summary" column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

> Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor's Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree

with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice of law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The "Summary" column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor's Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor's Choice of Law State law, if such provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.

3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).

5. The following provision will be added to the Franchise Agreement:

> No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

**IOWA**

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

**NOTICE OF CANCELLATION**

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three (3) business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten (10) business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty (20) days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Gotcha Covered Franchising, LLC, 761 W. 1200 N., Suite 300, Springville, UT 84663, or send a fax to Gotcha Covered Franchising, LLC at (303) 202-5201 not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: _____

By: _____

Print Name: _____

Its: _____

Date: _____

**MARYLAND**

AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

Item 17 of the FDD and the Franchise Agreement are amended to state: "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

Representations in the Franchise Agreement 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.

Item 17 of the FDD and sections of the Franchise Agreement are amended to state that 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 three (3) years after the grant of the Franchise.

The Franchise Agreement and Franchise Disclosure Questionnaire are amended to state that 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.

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

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

In connection with the preceding paragraph, Sections 20 and 23.A, 23.B, and 23.C of the franchise agreement are deleted with respect to each Maryland franchise agreement.

Item 5 and Item 7, and provisions governing initial fees are amended as follows:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

## MICHIGAN

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(a) A prohibition on your right to join an association of franchisees.

(b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this Act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.

(c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include your failure 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 us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us 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 five (5) years; and (ii) you are prohibited by the Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, marketing, or other commercial symbol in the same area subsequent to the expiration of the Franchise or you do not receive at least six (6) months' advance notice of our intent not to renew the Franchise.

(e) A provision that permits us to refuse to renew a Franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits us to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent us 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 our then-current reasonable qualifications or standards.

(ii) the fact that the proposed transferee is a competitor of us or our subfranchisor.

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

(iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us 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 us the right to acquire the assets of a Franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

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

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

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
525 W. Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

**MINNESOTA**

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.

2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the FDD or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.

3. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any agreement relating to Franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Franchise Agreement relating to arbitration.

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

24. Item 6 of the FDD and Section 4.k. of the Franchise Agreement is hereby amended to limit the Insufficient Funds Charge to $30 per occurrence pursuant to Minnesota Statute 604.113.

25. Item 13 of the FDD is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System Standards.

7. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement, to the extent required by Minnesota law.

7. The following language will appear as a new paragraph of the Franchise Agreement:

> No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.

8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three (3) years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.

9. Item 6 of the FDD and Section 4k of the Franchise Agreement is hereby amended to limit the Insufficient Funds Fee to $30 per occurrence pursuant to Minnesota Statute 604.113.

10. 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.

- **THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER**

**THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

- **THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

**NEW YORK**

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

**THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

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

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

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

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

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

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

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

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

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

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by Franchisee**."

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

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of Forum**," and Item 17(w), titled "**Choice of Law**:"

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

## NORTH DAKOTA

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(r) of the FDD and Section 7 of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statue, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

**OHIO**

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials_____ Date_____

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five (5) business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten (10) business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Gotcha Covered Franchising, LLC, 761 W. 1200 N., Suite 300, Springville, UT 84663, or send a fax to Gotcha Covered Franchising, LLC at (303) 202-5201 not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee:

Date: _____

By: _____
Print Name: _____
Its: _____

**RHODE ISLAND**

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The FDD, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.

The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including but not limited to, all venue, choice of law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

**SOUTH DAKOTA**

Intentionally left blank.

**VIRGINIA**

Item 17(h). The following is added to Item 17(h):

> "Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable."

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for Gotcha Covered Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 8 and Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

## WASHINGTON

**Washington Addendum to the Franchise Disclosure Document, Franchise Agreement, Franchise Disclosure Questionnaire, 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.

**Exhibit G-1:**

Exhibit G-1 (the Waiver and Release of Claims) is hereby amended, to clarify that it does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

**WISCONSIN**

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

***(Signatures on following page)***

## APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states ("**Addenda**") is checked as an "Applicable Addenda" below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

| | | |
|---|---|---|
| ☐ California | ☐ Michigan | ☐ Rhode Island |
| ☐ Hawaii | ☐ Minnesota | ☐ South Dakota |
| ☐ Illinois | ☐ New York | ☐ Virginia |
| ☐ Iowa | ☐ North Dakota | ☐ Washington |
| ☐ Indiana | ☐ Ohio | ☐ Wisconsin |
| ☐ Maryland | | |

Dated: _____, 20____

**FRANCHISOR:**

GOTCHA COVERED FRANCHISING, LLC

By: _____

Title: _____

**FRANCHISEE:**

_____

_____

By: _____

Title: _____

# EXHIBIT G

## CONTRACTS FOR USE WITH THE GOTCHA COVERED FRANCHISE

The following contracts contained in Exhibit G are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the Gotcha Covered Business. The following are the forms of contracts that Gotcha Covered Franchising, LLC uses as of the Issuance Date of this Franchise Disclosure Document. If they are marked "Sample," they are subject to change at any time.

# EXHIBIT G-1

## GOTCHA COVERED FRANCHISE

## SAMPLE GENERAL RELEASE AGREEMENT

## WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims ("Release") is made as of _____, 20___ by _____, a(n) _____ ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of Gotcha Covered Franchising, LLC, a Colorado limited liability company ("Franchisor," and together with Releasor, the "Parties").

**WHEREAS,** Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate a Gotcha Covered business;

**WHEREAS, (Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement)** or **(the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release)**, and Franchisor has consented to such **[transfer/successor franchise agreement/amendment/termination/other reason]**; and

**WHEREAS,** as a condition to Franchisor's consent to **(transfer the Agreement/enter into a successor franchise agreement/amend the Agreement/terminate the Agreement/other reason)**, Releasor has agreed to execute this Release upon the terms and conditions stated below.

**NOW, THEREFORE,** in consideration of Franchisor's consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and

the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third-party claim.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Release to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Colorado.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall

not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

***(Signatures on following page)***

**IN WITNESS WHEREOF**, Releasor has executed this Release as of the date first written above.

**FRANCHISEE:**

_____,
a

_____

By: _____

Printed Name: _____

Title: _____

**FRANCHISEE'S OWNERS:**

Date _____

_____
Signature

_____
Typed or Printed Name

_____
Signature

_____
Typed or Printed Name

Rev. 012021

# EXHIBIT G-2

## GOTCHA COVERED FRANCHISE

## SAMPLE SYSTEM PROTECTION AGREEMENT

This System Protection Agreement ("Agreement") is entered into by the undersigned ("you" or "your") in favor of Gotcha Covered Franchising, LLC, a Colorado limited liability company, and its successors and assigns ("us", "we" or "our"), upon the terms and conditions set forth in this Agreement.

**1. Definitions**. For purposes of this Agreement, the following terms have the meanings given to them below:

*"Competitive Business"* means any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by you in and/or from the Franchisee Territory (including, but not limited to, the products we authorize); or (ii) provides or offers to provide services the same as or similar to the type of services sold by you in and/or from the Franchisee Territory (including, but not limited to, the services we authorize), but excludes a Gotcha Covered business operating pursuant to a franchise agreement with us.

*"Copyrights"* means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell, or display in connection with the marketing and/or operation of a Gotcha Covered business or the solicitation or offer of a Gotcha Covered franchise, whether now in existence or created in the future.

*"Franchisee"* means the Gotcha Covered franchisee for which you are a manager or officer.

*"Franchisee Territory"* means the territory granted to you pursuant to a franchise agreement with us.

*"Intellectual Property"* means, collectively or individually, our Marks, Copyrights, Know-how, and System.

*"Know-how"* means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Gotcha Covered business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

*"Manual"* means our confidential operations manual for the operation of a Gotcha Covered business, which may be periodically modified by us.

*"Marks"* means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Gotcha Covered business, including "GOTCHA COVERED," and any other trademarks, service marks, or trade names that we designate for use by a Gotcha Covered business. The term "Marks" also includes any distinctive trade dress used to identify a Gotcha Covered business, whether now in existence or hereafter created.

*"Prohibited Activities"* means any or all of the following: (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant,

shareholder, creditor, representative, agent, or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly-traded company that is a Competitive Business); and/or (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees) and/or (iii) inducing or attempting to induce any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee or ours.

*"Restricted Period"* means the two (2)-year period after you cease to be a manager or officer of Franchisee's Gotcha Covered business; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the "Restricted Period" means the nine (9) month period after you cease to be a manager or officer of Franchisee's Gotcha Covered business.

*"Restricted Territory"* means the geographic area within: (i) a 25-mile radius from Franchisee's Gotcha Covered business (and including the premises of the approved location of Franchisee); and (ii) a 25-mile radius from all other Gotcha Covered businesses that are operating or under construction as of the beginning of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the "Restricted Territory" means the geographic area within a 13-mile radius from Franchisee's Gotcha Covered business (and including the premises of the approved location of Franchisee).

*"System"* means our system for the establishment, development, operation, and management of a Gotcha Covered business, including Know-how, proprietary programs and products, Manual, and operating system.

**2. Background**. You are a manager or officer of Franchisee. As a result of this relationship, you may gain knowledge of our System. You understand that protecting the Intellectual Property and our System are vital to our success and that of our franchisees and that you could seriously jeopardize our entire System if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

**3. Know-How and Intellectual Property**. You agree: (i) you will not use the Know-how in any business or capacity other than the Gotcha Covered business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer a manager or officer of Franchisee's Gotcha Covered business. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property and the System shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

**4. Unfair Competition During Relationship**. You agree not to unfairly compete with us at any time while you are a manager or officer of Franchisee's Gotcha Covered business by engaging in any Prohibited Activities.

**5. Unfair Competition After Relationship**. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

**6. Immediate Family Members**. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, grandparent or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities; or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

**7. Covenants Reasonable**. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

**8. Breach**. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other Gotcha Covered franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action that you may have against us, our owners or our affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

**9. Miscellaneous**.

a. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

b. This Agreement will be governed by, construed, and enforced under the laws of Colorado, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

c. Each section of this Agreement, including each subsection and portion thereof, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration, and geographic area.

d. You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration, and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory, and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

***(Signatures on following page)***

EXECUTED on the date stated below.

Date_____ _____

Signature

_____

Typed or Printed Name

Rev. 120619

# EXHIBIT G-3

## GOTCHA COVERED FRANCHISE

## SAMPLE CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement ("Agreement") is entered into by the undersigned ("you") in favor of Gotcha Covered Franchising, LLC, a Colorado limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Agreement.

**1. Definitions**. For purposes of this Agreement, the following terms have the meanings given to them below:

*"Copyrights"* means all works and materials for which we or our affiliate(s) have secured common law or registered copyright protection and that we allow Gotcha Covered franchisees to use, sell, or display in connection with the marketing and/or operation of a Gotcha Covered Business, whether now in existence or created in the future.

*"Franchisee"* means the Gotcha Covered franchisee for which you are an employee, independent contractor, agent, representative, or supplier.

*"Gotcha Covered Business"* means a business that sells and installs window treatments, including draperies, fabrics, drapery hardware, bedroom ensembles, blinds, shades, and other related products and services using our Intellectual Property.

*"Intellectual Property"* means, collectively or individually, our Marks, Copyrights, Know-how, Manual, and System.

*"Know-how"* means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Gotcha Covered Business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

*"Manual"* means our confidential operations manual for the operation of a Gotcha Covered Business.

*"Marks"* means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Gotcha Covered Business, including "GOTCHA COVERED" and any other trademarks, service marks, or trade names that we designate for use by a Gotcha Covered Business. The term "Marks" also includes any distinctive trade dress used to identify a Gotcha Covered Business, whether now in existence or hereafter created.

*"System"* means our system for the establishment, development, operation, and management of a Gotcha Covered Business, including Know-how, proprietary programs and products, confidential operations manuals, and operating system.

**2. Background**. You are an employee, independent contractor, agent, representative, or supplier of Franchisee. Because of this relationship, you may gain knowledge of our Intellectual Property. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees, and that you could seriously jeopardize our entire Franchise System if you were

to use such Intellectual Property in any way other than as described in this Agreement. In order to avoid such damage, you agree to comply with this Agreement.

**3. Know-How and Intellectual Property: Nondisclosure and Ownership**. You agree: (i) you will not use the Intellectual Property in any business or capacity other than for the benefit of the Gotcha Covered Business operated by Franchisee or in any way detrimental to us or to the Franchisee; (ii) you will maintain the confidentiality of the Intellectual Property at all times; (iii) you will not make unauthorized copies of documents containing any Intellectual Property; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Intellectual Property; and (v) you will stop using the Intellectual Property immediately if you are no longer an employee, independent contractor, agent, representative, or supplier of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

The Intellectual Property is and shall continue to be the sole property of Gotcha Covered Franchising, LLC. You hereby assign and agree to assign to us any rights you may have or may acquire in such Intellectual Property. Upon the termination of your employment or engagement with Franchisee, or at any time upon our or Franchisee's request, you will deliver to us or to Franchisee all documents and data of any nature pertaining to the Intellectual Property, and you will not take with you any documents or data or copies containing or pertaining to any Intellectual Property.

**4. Immediate Family Members**. You acknowledge you could circumvent the purpose of this Agreement by disclosing Intellectual Property to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Intellectual Property to family members. Therefore, you agree you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Intellectual Property. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Intellectual Property to the family member.

**5. Covenants Reasonable**. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

**6. Breach**. You agree that failure to comply with this Agreement will cause substantial and irreparable damage to us and/or other Gotcha Covered franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court

requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

**7. Miscellaneous**.

a. Although this Agreement is entered into in favor of Gotcha Covered Franchising, LLC, you understand and acknowledge that your employer/employee, independent contractor, agent, representative, or supplier relationship is with Franchisee and not with us, and for all purposes in connection with such relationship, you will look to Franchisee and not to us.

b. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

c. This Agreement will be governed by, construed, and enforced under the laws of Utah, and the courts in that state irrevocably shall have exclusive venue and jurisdiction over any legal proceedings arising out of this Agreement.

d. Each section of this Agreement, including each subsection and portion, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

EXECUTED on the date stated below.

ate_____ _____
Signature

_____
Typed or Printed Name

Rev. 032916

# EXHIBIT G-4

## AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

**Franchisee Information:**

| | |
|---|---|
| Franchisee Name | Business No. |
| Franchisee Mailing Address (street) | Franchisee Phone No. |
| Franchisee Mailing Address (city, state, zip) | |
| Contact Name, Address and Phone number (if different from above) | |
| Franchisee Fax No. | Franchisee Email Address |

**Bank Account Information:**

| | | |
|---|---|---|
| Bank Name | | |
| Bank Mailing Address (street, city, state, zip) | | |
| Bank Account No. | ☐ Checking ☐ Savings (check one) | Bank Routing No. (9 digits) |
| Bank Mailing Address (city, state, zip) | | Bank Phone No. |

**Authorization:**

Franchisee hereby authorizes Gotcha Covered Franchising, LLC ("Franchisor") to initiate debit entries to Franchisee's account with the Bank listed above, and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee's account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: _____ Date: _____
Name: _____
Its: _____

Federal Tax ID Number: _____

**NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.**

Rev. 032916

# EXHIBIT G-5

## GOTCHA COVERED FRANCHISE

## SAMPLE APPROVAL OF REQUESTED ASSIGNMENT

This Approval of Requested Assignment ("**Agreement**") is entered into this _____ day of _____, 20_____, between Gotcha Covered Franchising, LLC, ("**Franchisor**"), a Colorado limited liability company, _____ ("**Former Franchisee**"), the undersigned owners of Former Franchisee ("**Owners**") and _____, a [State] [corporation/limited liability company] ("**New Franchisee**").

### RECITALS

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated _____, 20_____ ("**Former Franchise Agreement**"), in which Franchisor granted Former Franchisee the right to operate a Gotcha Covered franchise located at _____ ("**Franchised Business**"); and

WHEREAS, Former Franchisee desires to assign ("**Requested Assignment**") the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Assignment of the Franchised Business from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Agreement, including that New Franchisee sign Franchisor's current form of franchise agreement together with all exhibits and attachments thereto ("**New Franchise Agreement**"), contemporaneously herewith.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, the parties hereto hereby covenant, promise, and agree as follows:

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement ("**Franchisor's Assignment Fee**").

2. Assignment and Assumption. Former Franchisee hereby consents to assign all of its rights and delegate its duties with regard to the Former Franchise Agreement and all exhibits and attachments thereto from Former Franchisee to New Franchisee, subject to the terms and conditions of this Agreement, and conditioned upon New Franchisee's signing the New Franchise Agreement pursuant to Section 5 of this Agreement.

3. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor's Assignment Fee from Former Franchisee and the

mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Former Franchise Agreement.

4. Termination of Rights to the Franchised Business. The parties acknowledge and agree that effective upon the date of this Agreement, the Former Franchise Agreement shall terminate and all of Former Franchisee's rights to operate the Franchised Business are terminated and that from the date of this Agreement only New Franchisee shall have the sole right to operate the Franchised Business under the New Franchise Agreement. Former Franchisee and the undersigned Owners agree to comply with all of the covenants in the Former Franchise Agreement that expressly or by implication survive the termination, expiration, or transfer of the Former Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement.

5. New Franchise Agreement. New Franchisee shall execute the New Franchise Agreement for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), and any other required contracts for the operation of a Gotcha Covered franchise as stated in Franchisor's Franchise Disclosure Document.

6. Former Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three-year period following the execution of this Agreement.

7. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("**Transaction**") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Assignment and any required actions regarding New Franchisee's signing of the New Franchise Agreement for the Franchised Business. New Franchisee agrees that any claims, disputes, or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Former Franchisee, and shall not involve Franchisor.

8. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed, or disposed of any interest in the Former Franchise Agreement or Franchised Business. New Franchisee hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the New Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.

9. Notices. Any notices given under this Agreement shall be in writing, and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

10. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement,

including any and all actions that may be required or contemplated by the Former Franchise Agreement.

11. Affiliates. When used in this Agreement, the term "**Affiliates**" has the meaning as given in Rule 144 under the Securities Act of 1933.

12. Miscellaneous. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Utah.

**IN WITNESS WHEREOF**, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

**FRANCHISOR**:

GOTCHA COVERED FRANCHISING, LLC

By: _____

Printed Name: _____

_____

Title: _____

**FORMER FRANCHISEE:**

_____

By: _____

Printed Name: _____

_____

Title: _____

**NEW FRANCHISEE:**

_____

By: _____

Printed Name: _____

_____

Title: _____

# EXHIBIT G-6

## GOTCHA COVERED FRANCHISE

### ADDENDUM TO FRANCHISE AGREEMENT FOR ADDITIONAL AREA(S) OF PRIMARY RESPONSIBILITY

(PURCHASED BY FRANCHISEE AFTER FRANCHISE AGREEMENT IS SIGNED)

THIS ADDENDUM TO FRANCHISE AGREEMENT ("**Addendum**") is made and entered into this ____ day of _____, 20___ between GOTCHA COVERED FRANCHISING, LLC, a Colorado limited liability company located at 761 W. 1200 N., Suite 300, Springville, UT 84663 ("**GCF**"); and _____, a _____ located at _____ ("**Franchisee**").

## RECITALS

A. GCF and Franchisee entered into that certain Gotcha Covered Franchising, LLC Franchise Agreement, dated _____, 20___ ("**Agreement**").

B. Under the terms of the Agreement, GCF granted to Franchisee an option to purchase one or more additional Areas of Primary Responsibility, provided that Franchisee met certain qualifications and the additional Areas of Primary Responsibility were available.

C. Franchisee desires to exercise its option, and the additional Area(s) of Primary Responsibility Franchisee desires is/are available.

D. GCF is willing to grant the Area(s) of Primary Responsibility to Franchisee under the terms of this Addendum.

## AGREEMENT

1. Prior to, or contemporaneously with, the signing of this Addendum, Franchisee will pay to GCF a fee of $_____ for the additional Area(s) of Primary Responsibility described below.

2. GCF grants to Franchisee the following additional Area(s) of Primary Responsibility:

_____
_____
_____
_____ ("**Additional Area(s)**").

3. Provided that Franchisee has not lost its rights in the Additional Area(s) by virtue of Franchisee not paying its royalty fees, neither GCF nor any other GCF franchisee is entitled to Actively Promote their GC Businesses in the Additional Area(s) during the term of the Agreement.

4. The royalty chart in Section 4(c)(1) is amended and restated as follows:

| Time Period | Monthly Royalty Payment |
|---|---|
| 1st month of first Franchise Year | |
| 2nd through 4th months of first Franchise Year | |
| 5th through 7th months of first Franchise Year | |
| 8th through 12th months of first Franchise Year | |
| 13th month through remainder of initial term | |

5. Franchisee understands and agrees that this Addendum does not provide any rights to Franchisee other than the right to Actively Promote its Franchise in the Additional Area(s) during the period in which Franchisee has rights to the Additional Areas.

6. All capitalized terms not defined in this Addendum have the same definition as in the Agreement.

7. Except as expressly amended by this Addendum, the Agreement remains in its original form.

**GOTCHA COVERED FRANCHISING, LLC**

By: _____

Print Name: _____

Title: _____

**FRANCHISEE:**

By: _____

Print Name: _____

Title: _____

**EXHIBIT G-7**

**GOTCHA COVERED FRANCHISE**

**SAMPLE SECURED PROMISSORY NOTE**

$_____ _____,
20___

FOR VALUE RECEIVED, the undersigned _____ _____ ("**Debtor**"), hereby promises to pay to the order of GOTCHA COVERED FRANCHISING, LLC, a Colorado limited liability company ("**Holder**"), the principal sum of _____ and no/100 Dollars ($_____), as set forth herein. Such principal shall be payable pursuant to Section 1 at such address as Holder may designate from time to time in writing.

3. Interest, Maturity and Payment.

a. Interest and Maturity: This Promissory Note shall be subject to the following terms (select one):

_____ This Secured Promissory Note will bear interest at 8% per annum, computed monthly on the last day of each month on the outstanding balance, and shall be paid out in equal monthly installments of principal plus interest together until paid in full on the date that is three years following the date first set forth above.

_____ This Secured Promissory Note will bear interest at 9% per annum, computed monthly on the last day of each month on the outstanding balance, and shall be paid out in equal monthly installments of principal plus interest together until paid in full on the date that is four years following the date first set forth above.

_____ This Secured Promissory Note will bear interest at 10% per annum, computed monthly on the last day of each month on the outstanding balance, and shall be paid out in equal monthly installments of principal plus interest together until paid in full on the date that is five years following the date first set forth above.

Payment in full of this Secured Promissory Note shall be due on or before _____, 20___.

b. Interest. All payments on this Note shall be applied first to the payment of any costs, fees, late charges or other charges incurred in connection with the indebtedness evidenced hereby, next to the payment of accrued interest and then to the reduction of the outstanding principal amount balance.

4. Prepayment. Debtor may prepay any portion of this Secured Promissory Note at any time without penalty. Any prepayments shall be first applied as described in Section 1(b) above.

5. Acceleration and Defaulting Interest. At the option of Holder, the entire outstanding principal balance of this Secured Promissory Note shall become immediately due and payable, without notice or demand, upon the occurrence of any one or more of the following events of default: (a) the failure of Debtor to make any required payment on or before the date such payment is due; (b) the filing of a petition by or against Debtor under the provisions of any state insolvency law or the Federal Bankruptcy Act; (c) any assignment by Debtor for the benefit of creditors; (d) any default by Debtor under the terms of that Franchise Agreement with Holder of even date herewith; (e) any default by Debtor of any other agreement entered into by Debtor with Holder; (f) any expiration, termination or attempt to terminate the Franchise Agreement or any other agreement entered into by Debtor with Holder. In this event, interest and principal shall, from and after the date of such default, bear interest at the rate of either (i) eighteen percent (18%) per annum or (ii) the highest rate permitted by applicable law, whichever is less.

6. Attorney Fees. Debtor agrees to promptly reimburse Holder for all reasonable costs and expenses, including attorney fees and court costs, incurred to collect this Secured Promissory Note or any installment hereunder, if not paid when due.

7. No Waiver. No failure on the part of Holder to exercise, and no delay in exercising any right hereunder, shall operate as a waiver of such right; nor shall any single or partial exercise by Holder of any right hereunder preclude the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

8. Waiver. Debtor hereby waives presentment, demand for payment, protest for nonpayment, notice of dishonor, diligence in collection, and all other demands, notices and indulgences, in connection with the delivery, acceptance, performance or other enforcement of this Secured Promissory Note.

9. Governing Law. This Secured Promissory Note shall be governed by and interpreted in accordance with the laws of the State in which Debtor's franchised business is located, without reference to the choice of law principles thereof.

10. Security. This Secured Promissory Note and the indebtedness evidenced hereby are secured by the Security Agreement attached hereto as Attachment A.

11. Assignment. Debtor may not assign its obligation hereunder without the prior written consent of the Holder. This Secured Promissory Note may be assigned by Holder by providing notice to the Debtor.

12. Final Agreement. This Secured Promissory Note, together with the documents and agreements referred to herein or therein, represents the entire agreement among the parties hereto with respect to the subject matter specified herein, and is intended to be the full, complete and exclusive contract governing those matters, superseding all other discussions, promises, representations, warranties, agreements and understandings among the parties with respect thereto.

There are no oral agreements among the parties hereto that are inconsistent with the terms of this Secured Promissory Note. Any signature hereto sent or delivered by email or other electronic transmission shall be as legally binding and enforceable as a signed original for all purposes.

13. Representations and Warranties of Debtor. Debtor hereby represents and warrants to the Holder, which representations and warranties shall survive the execution and delivery hereof, that (a) this Secured Promissory Note is the legally valid and binding obligation of Debtor, enforceable against Debtor in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally and by general principles of equity (whether applied in a proceeding at law or in equity) and (b) the Debtor is not restricted or prohibited in any way by the terms, provisions or conditions of any material credit or security agreement to which Debtor is a party in connection with Debtor's execution, delivery and performance of this Secured Promissory Note.

14. General Provisions. This Secured Promissory Note may not be amended, modified, or changed, nor shall any waiver of any provision hereof be effective, except by an instrument in writing and signed by the party against whom enforcement of any waiver, amendment, change, modification, or discharge is sought.

Whenever used herein, the words "**Debtor**" and "**Holder**" shall be deemed to include their respective heirs, legal representatives, successors, and assigns.

IN WITNESS WHEREOF, the undersigned has duly executed this Secured Promissory Note on the day and year first above written.

**DEBTOR**:

_____

# EXHIBIT G-7 ATTACHMENT A

## SAMPLE SECURITY AGREEMENT

This Security Agreement (this "Agreement"), effective as of the ____ day of _____ 20___, is hereby entered into by and between _____ ("Debtor"), with a mailing address at _____ _____ hereby grants to GOTCHA COVERED FRANCHISING, LLC, a Colorado limited liability company ("Secured Party"), with an address at _____, and its successors and assigns. All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Uniform Commercial Code for the State (the "Uniform Commercial Code") set forth below as the governing law for this Agreement.

1. Grant of a Security Interest. Debtor hereby grants to the Secured Party for the benefit of the Secured Party, to secure the full, punctual and unconditional payment and performance of the Note (as defined below) a first priority lien and security interest in the following assets, together with all replacements, proceeds, products, accessories, parts, additions, and accessions thereof or related thereto, now or hereafter affixed or used in connection therewith, and whether now owned or hereafter acquired, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof (the "Collateral"):

All assets (including personal and fixture property of every kind and nature) used by or in connection with the business of the Debtor for that certain franchised business pursuant to which a Franchise Agreement has been entered into with Secured Party, dated as of _____ (the "Franchise Agreement"), including all Instruments (including promissory notes), Documents, Accounts, Chattel Paper (whether Tangible Chattel Paper or Electronic Chattel Paper), Deposit Accounts (other than payroll accounts), Letter of Credit Rights (whether or not the letter of credit is evidenced by a writing), Commercial Tort Claims, Securities and all other Investment Property, Supporting Obligations, any other contract rights or rights to the payment of money, all sums payable under any policy of insurance (including without limitation, any return for premiums), tort claims, all General Intangibles (including all Payment Intangibles), personal assets, any other contract rights (including all executory contracts pertaining to or arising from the operation of the Debtor's business), franchise lease and rights thereto, customer lists, customer profiles, promotional brochures, mailing lists, and goodwill.

Debtor agrees that the security interest herein granted has attached and shall continue until (i) the Note has been paid, performed and indefeasibly discharged in full and (ii) the Secured Party is no longer committed to extend any credit to the Debtor under the Franchise Agreement, any credit agreement or any other loan document. The security interest is granted as security only and shall not subject the Secured Party to transfer to the Secured Party, or in any way affect or modify, any obligation or liability of the Debtor with respect to any of the Collateral or any transaction in connection therewith.

Debtor agrees to execute such other documentation as may be necessary under applicable law to allow Secured Party continuously to hold and perfect a security interest in the Collateral.

2. Authorization to File Financing Statements and Take Other Action. Debtor hereby irrevocably authorizes Secured Party at any time and from time to time to sign (if required) and file in any appropriate Filing Office, wherever located, any Financing Statement that (a) describes the Collateral (i) as all assets of Debtor or words of similar effect, regardless of whether any particular assets comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of such jurisdiction, or (ii) as being of any equal or lesser scope or with greater detail and (b) contains any other information required by Part 5 of Article 9 of the Uniform Commercial Code of the applicable jurisdiction for the sufficiency or Filing Office acceptance of any Financing Statement, including (i) whether Debtor is an organization, the type of organization and any organization identification number issued to Debtor and, (ii) in the case of a Financing Statement filed as a Fixture Filing, a sufficient description of real property to which the Collateral relates. Debtor also authorizes Secured Party to file a copy of this Agreement in lieu of a Financing Statement, and to take any and all actions required by any earlier versions of the Uniform Commercial Code or by any other applicable law. Debtor shall provide Secured Party with any information Secured Party shall reasonably request in connection with any of the foregoing.

3. The Obligation. The security interest granted hereby is to secure payment and performance of all of the liabilities and obligations of Debtor to Secured Party pursuant to that certain Secured Promissory Note of even date herewith (the "Note").

4. Representations And Warranties Respecting The Collateral. Debtor hereby represents and warrants to Secured Party as follows, each such representation and warranty to continue in full force so long as this Agreement remains in effect:

a. Debtor is, and in the case of property acquired after the date hereof, will be, the sole legal and equitable owner of the Collateral purported to be owned by it, holding good and marketable title to the same free and clear of all Encumbrances, and has good right and legal authority to pledge, sell, assign, deliver, and create this security interest in such Collateral in the manner herein contemplated.

b. This Agreement creates a valid and continuing lien on and security interest in the Collateral, and will be enforceable as such against creditors of Debtor, any owner of the real property where any of the Collateral is located, any purchaser of such real property and any present or future creditor obtaining a lien on such real property.

c. Neither Debtor nor any of its predecessors has performed any act or is bound by any agreement which might prevent Secured Party from enforcing any of the terms of this Agreement, or which would limit Secured Party in any such enforcement.

d. Each Account constituting Collateral (i) is and will be a true and correct statement of the actual Indebtedness incurred by each Account Debtor with respect thereto, (ii) arises and will arise out of or in connection with the sale or lease of Goods or for the rendering of services by Debtor to each Account Debtor, and (iii) is and shall be a valid, legal and binding obligation of the party purported to be obligated thereon, enforceable in accordance with its terms and free of material setoffs, defenses or counterclaims.

e. All Inventory constituting Collateral at any time are and will be genuine and salable in the ordinary course of Debtor's business.

f. Pursuant to the terms of this Agreement, Debtor has endorsed, assigned and delivered to Secured Party all promissory notes and other Instruments pledged hereunder. Regardless of the form of such endorsement, the Debtor hereby waives presentment, demand, notice of dishonor, protest, notice of protest and all other notices with respect thereto.

g. No authorization, approval or other action by, and no notice to or filing with, any domestic or foreign governmental authority or regulatory body or consent of any other Person is required for (i) the grant of the security interest contemplated hereby, (ii) the execution, delivery or performance of this Agreement by Debtor or (iii) the perfection of the security interest contemplated hereby or the exercise by Secured Party of its rights and remedies hereunder, other than the filing of Financing Statements under the Uniform Commercial Code.

h. Debtor has no knowledge of any fact that would impair the validity or make uncollectible any material amount of the Collateral that is Accounts, Chattel Paper, Payment Intangibles, General Intangibles, contract rights, Documents or Instruments, and to the best of Debtor's knowledge, each obligor liable on such Collateral has and will have the capacity to contract.

5. Default. Time is of the essence under this Security Agreement, and Debtor shall be in default ("**Default**") under this Security Agreement upon the happening of any of the following events or conditions: (1) the occurrence of a default under the Note; or (2) Debtor's failure to use the Collateral as provided herein; (3) Debtor's failure to prevent liens from attaching to the Collateral, except as provided herein; and (4) a breach of any provision of this Agreement. Waiver of any Default by Secured Party shall not constitute a waiver of any subsequent Default.

6. Remedies. Upon the occurrence of and during the continuance of any Default pursuant to Section 4 above, in addition to the rights and remedies of a secured party under the Uniform Commercial Code, Secured Party may, by written notice to Debtor, declare the commitments of Secured Party under the Franchise Agreement to be terminated, whereupon such commitments shall forthwith terminate regardless of when such event occurs. Secured Party, by written notice to Debtor, may terminate the Franchise Agreement, whereupon all amounts due to Secured Party shall become and be forthwith due and payable, without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by Debtor. Secured Party may, at its option, without notice or demand, cause all of the obligations under the Note to become immediately due and payable. With respect to any Collateral consisting of Accounts, Secured Party may (i) demand, collect, and receive any amounts relating thereto, as Secured Party may determine; (ii) commence and prosecute any actions in any court for the purposes of collecting any such Accounts and enforcing any other rights in respect thereof, (iii) defend, settle or compromise any action brought and, in connection therewith, give such discharges or releases as Secured Party may deem appropriate; (iv) receive, open and dispose of mail addressed to any of Debtor and endorse checks, notes, drafts, acceptances, money orders, bills of lading, warehouse receipts or other instruments or documents evidencing payment, shipment or storage of the goods giving rise to such Accounts or securing or relating to such Accounts, on behalf of and in the name of any of Debtor; and (v) sell, assign, transfer, make any agreement in respect of, or otherwise deal

with or exercise rights in respect of, any such Accounts or the goods or services which have given rise thereto, as fully and completely as though Secured Party were the absolute owner thereof for all purposes. With respect to any Collateral consisting of Equipment or Inventory, Secured Party may (i) make, adjust and settle claims under any insurance policy related thereto and place and pay for appropriate insurance thereon; (ii) discharge taxes and other Encumbrances at any time levied or placed thereon; (iii) make repairs or provide maintenance with respect thereto; and (iv) pay any necessary filing fees and any taxes arising as a consequence of any such filing. Secured Party shall have no obligation to make any such expenditures nor shall the making thereof relieve Debtor of its obligation to make such expenditures.

Without limiting the foregoing, upon the occurrence of a Default, Secured Party shall have all the rights of a secured party under the Uniform Commercial Code, including the right to take possession of and to sell all, or any part of, the Collateral at public or private sale. Upon the request of Secured Party, Debtor shall assemble and deliver the Collateral to such location as Secured Party shall request. If any notification of intended disposition of any of the Collateral is required by law, such notification shall be deemed to have occurred if mailed, in accordance with Section 12 of this Agreement, at least seven (7) days before such disposition. Any proceeds of a disposition of the Collateral or any part thereof may be applied by Secured Party to the payment of expenses in connection with the Collateral (including, without limitation, the storage and/or disposition thereof), including reasonable attorney fees and legal expenses, and any balance of such proceeds may be applied by Secured Party toward the payment of the any obligation of Debtor arising under this Agreement or the Franchise Agreement in such order of application as Secured Party may from time to time deem appropriate.

7. Debtor's Right To Possession. Unless and until the occurrence of a Default as defined herein or in the Agreement, and unless possession is required to perfect a security interest, Debtor shall have possession of the Collateral and may use the same in any lawful manner not inconsistent with or contrary to this Agreement.

8. Termination. Upon payment to Secured Party of all obligations of Debtor pursuant to the Franchise Agreement and the Note, this Agreement shall terminate and Secured Party hereby agrees to execute and deliver any and all necessary documents to effectuate a release of the Collateral and termination of any security interest granted pursuant hereto.

9. Complete Agreement; Amendments. This Agreement, along with the Franchise Agreement and the Note, is the entire agreement, and supersedes any prior agreements and contemporaneous oral agreements of the parties concerning its subject matter. No amendment of, or waiver of, a right under this Agreement will be binding unless it is in writing and signed by the party to be charged.

10. Governing Law. This Security Agreement will be governed by and interpreted in accordance with the laws of the State in which Debtor's franchised business is located, without reference to the choice of law principles thereof.

11. Severability; Successors And Assigns. To the extent a provision of this Security Agreement is unenforceable, this Security Agreement will be construed as if the unenforceable

provision were omitted. A successor to or assignee of Secured Party's rights and obligations under this Agreement will succeed to Secured Party's rights and obligations under this Agreement.

12. Notices. A notice or other communication to a party under this Agreement will be in writing (except that entitlement orders may be given orally), will be sent to the party's address set forth above, or to such other address as the party may notify the other parties of, and will be effective on receipt.

13. JURY WAIVER. EACH OF THE PARTIES WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS, REMEDIES, OBLIGATIONS, OR DUTIES HEREUNDER, OR THE PERFORMANCE OR ENFORCEMENT HEREOF OR THEREOF.

14. Counterparts; Time. This Agreement may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. Facsimile signature pages will be acceptable and shall be conclusive evidence of execution. Time is of the essence with regard to each provision of this Agreement as to which time is a factor.

15. Attorney Fees. If any legal action or any arbitration or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorney fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

***(Signature Page Follows)***

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

**DEBTOR:**

_____

**SECURED PARTY:**

_____

# EXHIBIT I

## STATE EFFECTIVE DATES

## State Effective Dates

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

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

| State | Effective Date |
|---|---|
| California | Pending |
| Illinois | Pending |
| Indiana | Pending |
| Maryland | Pending |
| Michigan | Pending |
| Minnesota | Pending |
| New York | Pending |
| Rhode Island | Pending |
| Virginia | Pending |
| Washington | Pending |
| Wisconsin | Pending |

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

# EXHIBIT J

## RECEIPT

**RECEIPT**
**(Retain This Copy)**

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

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

Under Iowa law, if applicable, Gotcha Covered Franchising, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires Gotcha Covered Franchising, LLC to give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or 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.

If Gotcha Covered 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, DC 20580, and the appropriate state agency identified on Exhibit A.

| The name, principal business address, and telephone number of each franchise seller offering the franchise is: |
|---|
| |
| Wanda Hoegren, 761 W. 1200 N., Suite 300, Springville, UT 84663, (303) 202-1120 |

Issuance Date: April 8, 2026

I received a disclosure document issued April 8, 2026, which included the following exhibits:

| | |
|---|---|
| Exhibit A | List of State Administrators/Agents for Service of Process |
| Exhibit B | Franchise Agreement |
| Exhibit C | Financial Statements |
| Exhibit D | Brand Standards Manual Tables of Contents |
| Exhibit E | List of Current and Former Franchisees |
| Exhibit F | State Addenda and Agreement Riders |
| Exhibit G | Contracts for use with the Gotcha Covered Franchise |
| Exhibit H | Franchise Disclosure Questionnaire |
| Exhibit I | State Effective Dates |
| Exhibit J | Receipt |

| Date | Signature | Printed Name |
|---|---|---|
| Date | Signature | Printed Name |

Rev. 012417

**RECEIPT**
**(Our Copy)**

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| Exhibit J | Receipt |

| Date | Signature | Printed Name |
|---|---|---|
| Date | Signature | Printed Name |

**Please sign this copy of the receipt, date your signature, and return it to Gotcha Covered Franchising, LLC, 761 W. 1200 N., Suite 300, Springville, UT 84663.**