FRANCHISE DISCLOSURE DOCUMENT

Coast to Coast Engineering Services, Inc.
d/b/a Criterium Engineers
5 Depot Street, Suite 23
Freeport, ME 04032
1-800-242-1969, (207) 828-1969
www.criterium-engineers.com

The franchisee will own a consulting engineering service business which specializes in providing consulting engineering reports, inspections, consultation, investigation and litigation support services on the structural and mechanical aspects of residential, commercial and light industrial buildings to prospective purchasers, building and community management firms, real estate brokers, and others.

The total investment necessary to begin operating a CRITERIUM ENGINEERS franchised business is $75,380 to $174,160. This includes a Franchise Fee ranging from $54,500 to $84,500 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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers, 5 Depot Street, Suite 23, Freeport, ME 04032, 1-800-242-1969, (207) 828-1969.

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.

Issued: March 31, 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 Exhibits A & D.
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 B 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 Criterium Engineers 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 Criterium Engineers franchisee?	Item 20 or Exhibits A & D list 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 F.

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

Special Risks to consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation or litigation only in Maine. Out-of-State mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with franchisor in Maine than in your own State.

2. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in a redesign of your territory, loss of any territorial exclusivity you are granted, or termination of your franchise, and loss of your investment.

3. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments regardless of your sales levels. Your inability to make 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" to see whether your state requires other risks to be highlighted.

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THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify language in this disclosure document, “CRITERIUM ENGINEERS" and "we, us, or our" means Coast to Coast Engineering Services, Inc., the Franchisor. "You" or “your” means the person who acquires rights in the franchise, and includes any investors, partners, shareholders or guarantors.

A. The Franchisor and any Parents, Predecessors and Affiliates

COAST TO COAST ENGINEERING SERVICES, INC. (the "Franchisor") is a Maine corporation doing business under the name "CRITERIUM ENGINEERS." Its principal business address is: 5 Depot Street, Suite 23, Freeport, ME 04032; Telephone numbers: l-800-242-1969, (207) 828-1969; website: www.criterium-engineers.com; email: dadams@criterium-engineers.com.

CRITERIUM ENGINEERS does not have a parent company.

CRITERIUM ENGINEERS’ agent for service of process is disclosed in Exhibit F.

CRITERIUM ENGINEERS incorporated in Maine on July 19, 1989 and, by Articles of Merger filed September 29, 1989, is the successor by merger to Coast to Coast Inspection Services, Inc., a New York corporation organized on March 10, 1971 (the "Predecessor Company"). The Predecessor Company was founded by Arthur Tauscher who, in 1957, first began his engineering services business of providing home inspections for prospective homebuyers in the United States. The Predecessor Company previously licensed independent offices and engineers to use certain home inspection techniques and reporting practices under the name "Home Inspection Consultants." The address of the predecessor was: 265 Sunrise Highway, Rockville Centre, NY 11571.

CRITERIUM ENGINEERS has offered franchises for the Franchised Consulting Engineering Business since its incorporation in 1989. The CRITERIUM® System uses certain aspects of the home inspection techniques and reporting practices developed by the Predecessor Company, together with other techniques and methodologies developed by Criterium Engineers. Ninety-five percent of the "Home Inspection Consultants" offices sold by the Predecessor Company and currently operating have voluntarily converted to the CRITERIUM® System format, procedures and requirements. A list of operating CRITERIUM® and "Home Inspection Consultants" offices is attached as Exhibit A.

CRITERIUM ENGINEERS' Founding President, H. Alan Mooney, P.E., has operated businesses of the type offered as franchises from 1974 until 2010. The Mooney Company, doing business as Criterium - Mooney Engineers, represented the southern Maine franchise of CRITERIUM ENGINEERS. In 2010, that company was merged into the Franchisor.

CRITERIUM ENGINEERS' President since 2018, David Leopold has a notable record of strategy development and execution in officer and senior management roles for Fortune 500 companies. He has a demonstrated ability to lead organizations. Executive competencies include strategic vision, leadership effectiveness, change management, P&L growth, digital strategy and marketing.

In 1990, CRITERIUM ENGINEERS established a company owned consulting engineering business in San Diego. That office was sold to Robert Fennema, P.E., on July 29, 1991. It closed in 2005.

On June 1, 1990, CRITERIUM ENGINEERS and H. Alan Mooney re-purchased the "Home Inspection Consultants" franchise and consulting business of Robert H. Deaderick, P.E. Mr. Deaderick had operated a Home Inspection Consultants and Architectural Consulting business in Richmond, VA since 1972. CRITERIUM ENGINEERS operated the business until December 30, 1992, when it was sold to David K. Low, P.E. Mr. Low has sold the office to Jerry Hall, effective May 1, 1999. That office closed in November of 2009.

On January 10, 1991, CRITERIUM ENGINEERS purchased the Boston "Home Inspection Consultants" franchise of Alister M. Shepherd. A new franchise for a part of the territory was sold to H. Alan Mooney, who operated the office until it was sold to Gus Karoubas, P.E. on June 24, 1993. The Boston office is now closed.

In 1995, CRITERIUM ENGINEERS acquired the Tampa Bay office of James Belliveau, after Mr. Belliveau defaulted on his franchise agreement. CRITERIUM ENGINEERS operated that office until early 1996 at which point the office was closed.

In 2007, CRITERIUM ENGINEERS opened a company-owned office in Phoenix, Arizona, which it operated until 2016, when it was sold.

In 2012, CRITERIUM ENGINEERS purchased the Las Vegas office of Charles McWilliam which it operated until 2021 when it was sold.

In 2015, CRITERIUM ENGINEERS purchased the Seattle, Washington office of David Pioli, P.E., which it operated until 2017, when it was sold.

Other than the offices enumerated above, CRITERIUM ENGINEERS has no prior history of conducting a business of the type offered as franchises.

Neither CRITERIUM ENGINEERS, nor the Predecessor Company has offered franchises for any other line of business. CRITERIUM ENGINEERS has no affiliates.

All of the "Home Inspection Consultant" offices that originated under the Predecessor Company that are currently operating are doing so under a Name Change Addendum to their original license agreements. All of the "Home Inspection Consultant" offices have executed the

Name Change Addendum since CRITERIUM ENGINEERS acquired the business in 1989. A copy of the Name Change Addendum is attached as Exhibit G. "Home Inspection Consultant" offices may convert to become CRITERIUM franchisees at no cost. If they choose to do so, they are then asked to sign the current Franchise Agreement. All of the "Home Inspection Consultants" offices sold by the Predecessor Company that are currently operating have voluntarily converted to the CRITERIUM® System format, procedures and requirements.

B. The Franchise.

CRITERIUM ENGINEERS has developed and acquired techniques, systems, procedures and know-how in the consulting engineering business, specializing in buildings. These services include providing reports, inspections, consultations, investigations and litigation support services on the structural and mechanical aspects, design, maintenance and construction of residential, commercial and light industrial buildings ("Consulting Engineering Services"). Under the Franchise Agreement, CRITERIUM ENGINEERS will authorize you to use the techniques, systems, procedures, know-how, and other features of the CRITERIUM® System and to operate a business specializing in the Consulting Engineering Services operating under the Marks.

Since some, or all, of the Consulting Engineering Services fall within the definition of "professional engineering services" or equivalent terms under state laws which require that persons who engage in such activities be licensed, the franchisee must at all times either be a qualified and licensed professional engineer or architect in good standing in the jurisdiction where the Franchised Consulting Engineering Business will be conducted or, in states where permitted, such an individual must hold the specific ownership and/or management position(s) that engineering firms are required to form under specific corporate structures in many states. Engineering firms must generally register with the secretary of state to do business and obtain a Certificate of Authority from the Board of Professional Engineers. You are solely responsible for determining what state and/or local licensing and registration requirements apply to you in light of the Consulting Engineering Services which you are called upon by customers and clients to render, and to qualify for, and maintain such licenses and registrations in good standing, at your sole expense.

All services provided under the Marks must comply with the National Society of Professional Engineers' Code of Ethics.

C. Market Competition.

We consider the demand for consulting engineering services in the building sector to be stable and growing, as all structures require regular engineering assessment or oversight. Buildings that are not property maintained inevitably develop defects, potentially posing risks to occupant safety and structural integrity. Despite this perpetual need, the market remains underserved, as many existing engineering firms are not considered to efficiently handle smaller-scale assignments and also offer comprehensive engineering support for the wide range of building systems and assemblies.

In the inspection services and consulting engineering markets, franchisees will encounter competition from licensed professional consulting engineers as well as unlicensed entities, such as contractors, homebuilders, and home inspection companies. While the market for general consulting engineering services is well-established and competitive, we do not anticipate significant changes in this segment in the near future.

CRITERIUM ENGINEERS is actively expanding its footprint in Construction Engineering and Quality Assurance (QA) services for new construction projects. Third-party QA services, which include detailed written and photographic documentation, are increasingly mandated by builder insurance providers, driving growth in this market. While few companies specialize in this niche, most lack the national presence or engineering-driven approach that CRITERIUM ENGINEERS offers through the Franchise network.

In addition to our current suite of service offerings, CRITERIUM ENGINEERS is committed to exploring new opportunities to diversity and expand our services. This ongoing innovation enables us to adapt to changing market needs and provide franchisees with robust support and opportunities for growth.

D. Regulations

The state registration board regulates the practice of engineering in each state. There is increasing interest among state legislatures with regard to the regulation of home inspections. To our knowledge, over 30 states have passed relevant legislation. The nature and scope of legislation varies, in some cases requiring inspectors to receive licensing, in others, simply establishing practice standards. In many states, engineers are exempt from licensing or certification requirements based on their knowledge, experience and the fact that they are already licensed by a state entity.

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BUSINESS EXPERIENCE

President and Director: David E. Leopold (Start date: 06/29/2018)

Mr. Leopold serves on the Board of Directors and assumed an active management role in the company in June 2018 and became its President in December 2018. Before joining CRITERIUM ENGINEERS, 5 Depot Street, Suite 23, Freeport, Maine, from August 2010 until March 2017, Mr. Leopold worked at Unum Group (NYSE: UNM) at 2211 Congress Street, Portland, Maine.

Founding President and Director: H. Alan Mooney, P.E. (Start date: 04/01/1988)

Since the Franchisor's incorporation on July 19, 1989, until December 2019, Mr. Mooney was the President and Director of CRITERIUM ENGINEERS, 5 Depot Street, Suite 23, Freeport, Maine.

Vice President – Construction Engineering Services: Scott Forbes (Start date: 04/29/2013)

Mr. Forbes joined CRITERIUM ENGINEERS, 5 Depot Street, Suite 23, Freeport, Maine, in 2013 and served as Construction/Project Manager from April 2013 until March 2019 when he became Vice President-Operations in late 2019 Mr. Forbes shifted his responsibilities to his current position.

Chief Engineer: Rebecca Costigan, P.E., CEM, LEED-AP (Start date: 05/10/2015)

Ms. Costigan has been affiliated with CRITERIUM ENGINEERS, 5 Depot Street, Suite 23, Freeport, Maine, since 2006, and served as Senior Project Engineer from May 2015 until July 2018, when she became Chief Engineer.

Vice President – Client Success: Micayla Brooks (Start date: 11/15/2022)

Ms. Brooks joined CRITERIUM ENGINEERS, 5 Depot Street, Suite 23, Freeport, Maine in 2022. Before joining CRITERIUM ENGINEERS, Ms. Brooks worked as Director of Expansion at Keystone Experts and Engineers in Castle Rock, Colorado from January 2019 until June 2022.

Vice President – Affiliate and Shared Services: Deborah Adams (Start date: 03/20/2019)

Ms. Adams joined Criterium in 2019 in the role of Project Management Administrator. Since then, she has held positions of increasing responsibility including Director of Operations and Director or Organizational Progress before assuming her current position in February 2023.

3
LITIGATION

No litigation is required to be disclosed in this Item.

4
BANKRUPTCY

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

5
INITIAL FEES

A. Initial Franchise Fee.

The initial franchise fee is based primarily on the population of the Territory granted. The formula varies according to the density of the population related to the total area, or for other demographic considerations. The initial franchise fee ranges from a minimum of $54,500 to $84,500 but may be more depending on the population in your Territory, calculated as follows:

$54,500 for up to 1.5 million population with an additional $10,000 for each .5 million population up to a maximum of 3 million. The fee includes all items listed in Exhibit H of the Franchise Agreement, and a supply of stationery, brochures, and other printed items. The fee is used to develop and maintain the techniques, systems, procedures and know how in the consulting engineering business which are unique to CRITERIUM ENGINEERS and to maintain the CRITERIUM® trademark.

The initial franchise fee is payable in full upon your execution of the Franchise Agreement unless, and to the extent, financing is obtained from CRITERIUM ENGINEERS. As provided in Item 10 of this Disclosure Document, CRITERIUM ENGINEERS offers financing of up to 25 percent of the initial franchise fee minimum, or $13,625, plus the amount that exceeds the minimum, if you qualify. If financing is extended, you pay $40,875 of the initial franchise fee when you execute the Franchise Agreement. You pay the balance of the initial franchise fee according to the terms of an unsecured promissory note, described in Item 10.

The initial franchise fee is fully earned when paid and, in cases where we provide financing, upon execution of the promissory note for the deferred position of the initial franchise fee. We do not require offices converting from the Predecessor Company's "Home Inspection Consultants" system to pay any initial franchise fee to join the CRITERIUM® System. We reserve the right to offer existing franchisees purchasing additional franchise territories a 5% - 25% lower franchise fee based in part on: potential reduction in costs associated with initial training requirements, office set-up materials and support, and market factors in the new territory.

B. Conditions for Refund.

If you fail to complete the initial training program by demonstrating, to our satisfaction, a level of business acumen, engineering understanding and the commitment to learning, we have the right to terminate the Franchise Agreement. If we terminate the Franchise Agreement for failure to satisfactorily complete the initial training program and you have not obtained financing from CRITERIUM ENGINEERS, we will return to you $5,000 of the Franchise Fee paid. However, we do not refund any portion of the initial franchise fee if you fail to complete the initial training program due to your failure or refusal to attend such training (provided CRITERIUM ENGINEERS offers the initial training program within 120 days after we execute the Franchise Agreement.) Upon completion of the initial training program, the initial franchise fee is not refundable under any condition. Other than for failure to complete the training program the initial franchise fee is non-refundable.

C. Additional Offices within the Area.

The Franchise Agreement permits you to open multiple offices within your assigned area of primary responsibility, however, the opening of an office does not create a new franchise. CRITERIUM ENGINEERS' prior written approval of each location is required. Beginning no later than 120 days following the date of the Franchise Agreement and continuing for the balance of the franchise term, you must at all times have at least one approved franchised office operating in the

Territory. The Franchise Agreement applies to each franchised office that the Franchisee opens in the Territory. No additional franchise or other fee is payable for the right to open additional offices.

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OTHER FEES

TYPE OF FEE	*AMOUNT (% or $)*		*DUE DATE*	*REMARKS*
Royalty Fee[1]	6.0 5.5 5.0 4.5 4.0	On annual receipts up to $300,000 Up to. . . $600,000 Up to . . . $1,000,000 Up to. . . $1,500,000 Up to… $2,000,000 Above $2,000,000 is flat rate of $5,000 per month	Payable monthly on the 10th day of the next month.	Gross receipts includes all revenue from the franchise location. Gross receipts does not include sales or similar tax or refunds.
Marketing Fee[2]	1% of gross receipts or $50.00 per month, which-ever is greater.		Same as Royalty Fee.	Gross receipts includes all revenue from the franchise location. Gross receipts does not include sales or similar tax or refunds.

TYPE OF FEE	*AMOUNT (% or $)*	*DUE DATE*	*REMARKS*
Technology Fee[3]	1.0% On annual receipts up to $600,000 0.9% On annual receipts above $600,000 up to $1,000,000 0.7% On annual receipts above $1,000,000 Maximum annual cap of $10,000 excluding additional requested services.	Same as Royalty Fee.	Gross receipts includes all revenue from the franchise location. Gross receipts does not include sales or similar tax or refunds. Technology includes web hosting and maintenance, report writing software, Learning and Performance Management system, and other tools developed by Criterium or available through business partnerships to run the business. The monthly Technology standard fee provides for one included technology services, currently website hosting and maintenance for one website per office, and additional selected technology services from a list of available / supported options. The number of services included in the monthly Technology standard fee is based on the office gross revenue reported for the prior 12-month calendar year. One (1) technology service for reported annual gross revenue under $300,000, two (2) technology services for reported annual gross revenue above $300,000 and under $600,000, three (3) technology services for reported annual gross revenue above $600,000 and under $1,000,000, four (4) technology services for reported annual gross revenue above $1,000,000. You shall pay us an additional monthly fee based on the direct costs for each of your additional requested Technology Services not included in the standard fee.
Interest on Late Payments[4]	18% on unpaid balance.	Payable within 15 days of notice.	Applies to all Royalty Fees, Marketing Fee contributions (Marketing Fund) Technology Fee and amounts due for purchases from us or Franchisor Subsidiaries.
Late Report Fee	$100.00 per violation	As incurred	Payable only if a required report or financial statement is not delivered when due.

TYPE OF FEE	*AMOUNT (% or $)*	*DUE DATE*	*REMARKS*
Suppliers Approval[5]	Reasonable cost of inspection and actual cost of test not to exceed $1,000	Time of inspection	Applies to new suppliers or supplier you wish to purchase from that we have not approved.
Audits	Cost of audit plus 18% interest on under-payment plus related costs.	30 days after billing.	Payable only if audit shows an understatement of at least 5% of gross receipts for any month.
Transfer Fee[6]	25% of the then current initial franchise fee.	Prior to consummation of transfer.	Payable when you sell your franchise. No charge if franchise transferred to a corporation which you control.
Franchise Training Fees[7]	Travel, if required, in excess of reasonable allowance.	Prior to training.	Training is provided for all new franchisees or Designated Managers
Enterprise Events[8]	Registration fee and associated travel expenses.	At time event is held.	Enterprise events are currently held every one to two years. We reserve the right to hold enterprise events more or less frequently.
Additional Training	Travel and lodging expenses, if required	Prior to training.	Training is available and required for all licensed engineers and architects for professional liability insurance provided through CRITERIUM ENGINEERS. Training is available for all other management, technical, and operations staff.
Indemnification*	All costs including attorneys' fees	As invoiced	You defend suits at your cost and hold us harmless against suits involving damages resulting from your operation of the Franchised Business. (Section 20.2 of the Franchise Agreement)

We reserve the right to require you to pay fees and other amounts due to us via our on-line payment portal, via electronic funds transfer or other similar means, as described in the Franchise Agreement. If payments are required in this method, you must comply with our procedures and perform all acts and deliver and sign all documents, including authorization (in the form attached to the Franchise Agreement or any other form that we may accept) for direct debits from your business bank operating account, which may be necessary to assist in or accomplish payment by this method. Under this procedure you shall authorize us to initiate debit entries

and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us and any interest that may be owing. You shall make the funds available to us for withdrawal by electronic transfer no later than the payment due date. If you have not timely reported your Franchised Business's Gross Sales to us for any reporting period, then we shall be authorized, at our option, to debit your account for (a) the fees transferred from your account for the last reporting period for which a report of your Franchised Business's Gross Sales was provided to us; or (b) the amount due based on information retrieved from any approved Computer System.

You are or may be required to pay these fees and charges to CRITERIUM ENGINEERS during the term of the Franchise Agreement, none of which are refundable under any circumstances. All fees are imposed by and payable to us or our affiliates. Except as indicated, the obligation for these expenses begins on the date you begin operating the Franchised Consulting Engineering Business under the Marks and using the CRITERIUM® System. These fees do not contemplate all payments you will make to suppliers, lessors and other people during the term of the Franchise Agreement. All fees for our individual Franchise Agreements are uniform.

All citations of Section numbers throughout this Disclosure Document are references to the Franchise Agreement, attached to this Disclosure Document as Exhibit C, unless designated otherwise.

NOTES

1. Royalty Fee.

You must pay a monthly royalty fee equal to 6 percent of your Gross Receipts of up to $300,000 per year. When your monthly gross receipts exceed and stabilize at an annualized rate of $300,000, you may reduce your monthly royalty payment to 5.5 percent of Gross Receipts; 5.0 percent after $600,000; 4.5 percent after $1,000,000; 4.0 percent after $1,500,000, and after $2,000,000 a flat rate of $5,000 per month. "Gross Receipts" means the total revenue you collect from Consulting Engineering Services or, directly or indirectly, from the operation of the Franchised Consulting Engineering Business, regardless of the nature of the services or source of payment. Gross Receipts do not include customer refunds on Gross Receipts previously reported to Criterium Engineers on which you have already paid Royalty Fees and Marketing Fee Contributions. Nor do they include the amount of any sales, use or other similar taxes that you collect from customers and pay to any federal, state or local taxing authority. With CRITERIUM ENGINEERS' prior written approval, Gross Receipts may not include certain unusual non-recurring expenses upon which you derive no income or profit. You must pay Royalty Fees on or before the 10th of each month based upon the Gross Receipts of the Franchised Consulting Engineering Business collected during the prior month. Offices converting from the "Home Inspection Consultants" network may pay a royalty fee equal to the same royalty rate provided in the former agreement with the Predecessor Company.

2. Marketing Fee.

You must pay a monthly Marketing Fee (the "Marketing Fee") to CRITERIUM ENGINEERS together with, and for the same period as, the Royalty Fee. The Marketing Fee is sometimes internally referred to by the Franchisor and Franchisee as the Communications Fee. For the purposes of the Franchise Disclosure Documents these terms are interchangeable. The amount of the Marketing Fee is the greater of $50.00 per month, or 1 percent of your monthly Gross Receipts. The Marketing Fee is imposed on new Franchisees to the CRITERIUM® System. Those offices converting from the "Home Inspection Consultants" network are not required to pay a Marketing Fee unless they elect to participate in CRITERIUM ENGINEERS' advertising program. We do not require converting offices to participate in the advertising program. Converting offices have the option to participate in advertising activities and obtain advertising and promotional materials on a fee-for-services basis based on the cost of media production and placement and other direct advertising costs.

3. Technology Fee

You must pay a monthly Technology Fee (the "Technology Fee") to CRITERIUM ENGINEERS together with, and for the same time period as, the Royalty Fee. The Technology Fee is imposed on new Franchisees to the CRITERIUM® System after 12 months of operation or $75,000 in cumulative gross revenue, whichever occurs first. The amount of the Technology Fee is the greater of $125.00 per month, or 1 percent of your monthly Gross Receipts. When your monthly gross receipts exceed and stabilize at an annualized rate of $600,000, you may reduce your monthly technology payment to 0.9 percent of Gross Receipts; 0.7 percent after $1,000,000. The monthly Technology standard fee provides for included technology services, currently website hosting and maintenance for one website per office, and additional selected technology services from a list of available / supported options. The number of services included in the monthly Technology standard fee is based on the office gross revenue reported for the prior 12-month calendar year. One (1) technology service for reported annual gross revenue under $300,000, two (2) technology services for reported annual gross revenue above $300,000 and under $600,000, three (3) technology services for reported annual gross revenue above $600,000 and under $1,000,000, four (4) technology services for reported annual gross revenue above $1,000,000. You shall pay us an additional monthly fee based on the direct costs for each of your additional requested Technology Services not included in the standard fee. The Technology Fee does not cover all of the technology needs of a CRITERIUM ENGINEERS office. The Technology Fees is imposed on all new Franchisees and those offices converting from the “Home Inspection Consultants” network. The Technology Fee is reassessed annually and subject to change to reflect actual costs associated with software tools required for the operation of the franchise, based on actual prices paid to third party vendors.

4. Late Payments; Audits.

If you fail to pay any Royalty Fees, Marketing Fees or Technology Fees when due, the amount not timely paid will bear interest at the rate of 18 percent per annum from the date payment was due until paid in full.

CRITERIUM ENGINEERS may apply any payments you make to any past due indebtedness of yours for Services Fees, Marketing Fees, interest or any other indebtedness. We may make such application irrespective of how you may label a particular payment.

The Franchise Agreement requires you to submit periodic sales reports, financial statements and tax returns or schedules as they pertain to the Franchised Consulting Engineering Business or state law may require for persons engaged in "professional engineering" activities. You must prepare these reports and financial statements at your sole expense using our prescribed reporting and bookkeeping format. You must complete all financial statements in accordance with generally accepted accounting principles. CRITERIUM ENGINEERS may examine, copy and audit all books and records of the Franchised Consulting Engineering Business including records relating to Gross Receipts, sales calls, new accounts and other relevant information. If we have reason to believe that any financial statements submitted are not correct or are not prepared in accordance with generally accepted accounting principles, we may require that you prepare these statements at your expense by a certified public accountant we select.

You must establish and maintain a bookkeeping, accounting and recordkeeping system conforming to our requirements, as revised from time to time. You must submit such periodic reports, forms and records we specify in the Franchise Agreement and Confidential Operating Manual or otherwise require. Your books and records must be available for inspection, copying, and audit by CRITERIUM ENGINEERS, its agents and attorneys during normal working hours.

You must retain these books and records relating to the Franchised Consulting Engineering Business for 3 years during, and following, the expiration, termination, or your assignment of the Franchise Agreement. During this time, we may make one or more inspections and audits of these records as we deem necessary to determine your compliance with the Franchise Agreement during its term.

If an audit reveals that actual Gross Receipts for any period exceed the amount you reported, the total amount of Royalty Fees and Marketing Fees payable on account of the deficiency is due and payable in full within 15 days after receipt of CRITERIUM ENGINEERS' audit report, together with interest at the rate stated above. In those cases where the understatement equals or exceeds 5 percent of actual Gross Receipts, we require you to pay all costs and expenses we incur in connection with the audit and collection of the deficiency, including all accountants' fees, attorneys' fees, and the travel expenses, room, board and compensation of those of our employees and independent professionals who participate in the audit. In addition, we may terminate the Franchise Agreement if the amount of the understatement of Gross Receipts is 5 percent or more.

5. Suppliers Approval.

You are responsible for ensuring that all items used in the operation, marketing and communications of the Franchised Business adhere to the Franchisor's corporate branding standards. These items must be obtained exclusively from suppliers approved by the Franchisor.

If you wish to use any items bearing the Marks that have not been approved or will be sourced from an unapproved supplier, you must provide CRITERIUM ENGINEERS with sufficient information, specifications, and/or samples for prior review and approval.

The Franchisor may change a review and inspection fee of up to $1,000.00 to cover the costs associated with evaluating your submission. Approval is not guaranteed and is solely at the discretion of CRITERIUM ENGINEERS.

Once a supplier is approved, reapproval of that supplier is not required.

6. Transfer Fees.

Except as outlined below in this paragraph, if you transfer control of your franchise to someone other than an original signatory of the Franchise Agreement, you must pay to CRITERIUM ENGINEERS, a transfer fee equal to 25% of the then current franchise fee being charged by CRITERIUM ENGINEERS in lieu of the transferee's payment of any initial franchise fee. The transfer fee is for the training, supervision, administrative costs, overhead, counsel fees, accounting and other expenses we may have in connection with the transfer. We do not charge a transfer fee in connection with the assignment or transfer of the franchise by an individual to a newly formed corporation or to the qualified heir or personal representative in the event of your death or permanent disability.

7. Training Fees.

You, or your Designated Manager, must attend and successfully complete the CRITERIUM ENGINEERS' initial training program, described in Item 11 of this Disclosure Document. We do not charge a training fee for you or your Designated Manager to attend.

Initial training programs shall be held either virtually using Zoom or other similar technology or at the offices of CRITERIUM ENGINEERS. If you or your Designated Manager is required to attend the initial training at the offices of CRITERIUM ENGINEERS, CRITERIUM ENGINEERS shall provide a minimum, reasonable travel allowance, and daily allowance for meals and lodging. CRITERIUM ENGINEERS shall be entitled to determine the type and amount of said expenses and this information shall be set forth from time to time in the Manual. All additional expenses for all training sessions shall be borne by you.

CRITERIUM ENGINEERS invites you to enroll an unlimited number of supervisory management, technical and operations staff to participate in the initial training program

whenever held. CRITERIUM ENGINEERS does not provide allowances for these individuals and reserves the right to charge a fee for materials.

Alternatively, after three years of operation, you can train staff members in-house if you complete and follow CRITERIUM ENGINEERS on-site trainer program. Completion of the On-site trainer program requires a significant time commitment from the office principal and, if not a licensed Professional Engineer themselves, then the Senior Engineers in the office. This trainer program is provided to protect our brand and the Marks and not to control the day-to-day operation of your business.

8. Enterprise Events

Enterprise events include, but are not limited to, national conferences and executive retreats that are inclusive of all Affiliate Offices. If held, you are required to attend enterprise events sponsored by Criterium Engineers. Required attendance will not exceed one (1) such event per year. If you are unable to attend for any valid reason, as deemed so by us (health, family concerns, legitimate conflicts), you will still be charged the then-current event fee unless prior written approval is granted. Travel costs may be incurred depending on the location of the event. Travel costs are your responsibility.

7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

FRANCHISE AGREEMENT

TYPE OF EXPENDITURE	*LOW AMOUNT*	*HIGH AMOUNT*	*METHOD OF PAYMENT*	*WHEN DUE*	*TO WHOM PAYMENT IS TO BE MADE*
Initial Franchise Fee[1]	$54,500	$84,500	Lump Sum or in Individual Cases, in Installments	Upon execution of Franchise Agreement; in Individual Cases, within Two Years	Franchisor
Rent and Related Real Estate Charges[2]	$1,000	$10,000	As Arranged	As Arranged	Lessor
Utility and Office Security Deposits[3]	$500	$5,000	As Arranged	Before Opening	Utility Companies Landlord

TYPE OF EXPENDITURE	*LOW AMOUNT*	*HIGH AMOUNT*	*METHOD OF PAYMENT*	*WHEN DUE*	*TO WHOM PAYMENT IS TO BE MADE*
Other Pre-paid Expenses and Licenses[4]	$250	$2,500	As Arranged	Before Opening and As Arranged	Government Bodies
Leasehold Improvements, Fixtures and Equipment[5]	$500	$5,000	As Arranged	Before Opening and As Arranged	Approved Suppliers Vendors
Insurance[6]	$3,180	$3,660	As Arranged	Before Opening	Franchisor; Insurance Companies
Training[7]	$0	$2,500	As Arranged	Before Opening	Transportation, Hotels and Restaurants
Pre-opening Advertising[8]	$500	$1,500	As Arranged	Before Opening	Franchisee Determines
Printing[9]	$200	$1,000	As Arranged	As Arranged	Approved Suppliers
Opening Inventory Supplies[10]	$250	$2,500	As Arranged	As Arranged	Approved Suppliers
Legal and Professional Fees[11]	$2,500	$5,000	As Arranged	As Arranged	Franchisee Determines
Additional Funds for First 6 Months[12]	$12,000	$48,000	As Arranged	As Arranged	Franchisee Determines
Vehicle[14]	$0	$3,000	As Arranged	As Arranged	Franchisee Determines
TOTAL[15]	$75,380	$174,160			

These figures do not take into account any financing charges or other related costs which you may be required to pay. These figures apply to new CRITERIUM® franchisees who are starting up their business. If you purchase an operating franchised consulting engineering business from an existing CRITERIUM franchisee, you may pay a going-concern value for such business which reflects goodwill and other intangible assets in addition to costs for tangible personal property, leasehold interests, leasehold expenses, inventory and the like.

NOTES

1. Initial Franchise Fee.

See Item 5 of this Disclosure Document. CRITERIUM ENGINEERS may offer financing for up to $13,625 of the initial minimum franchise fee to be paid over two years for qualified Franchisees.

The chart does not show the effect of financing the initial franchise fee, i.e., that your initial, minimum payment would be less than the full franchise fee, with the balance of the initial franchise fee payable, together with interest, in equal monthly installments over a period of up to two years, as explained in Item 10 of this Disclosure Document. See Item 5 for the conditions under which this fee is refundable.

If you fail to complete the initial training program to our satisfaction, we have the right to terminate the Franchise Agreement. If we terminate the Franchise Agreement for failure to satisfactorily complete the initial training program and you have not received financing from CRITERIUM ENGINEERS, we will return to you $5,000 of the Franchise Fee paid. (See Item 11 of this Disclosure Document for a description of the initial training program.) However, we do not refund any portion of the initial franchise fee if you fail to complete the initial training program due to your failure or refusal to attend such training (provided CRITERIUM ENGINEERS offers the initial training program within 120 days after we execute the Franchise Agreement.) Upon completion of the initial training program, the initial franchise fee is not refundable under any condition. Other than for failure to complete the training program the initial franchise fee is non-refundable.

2. Rent.

Rent will vary depending upon the location, condition and size of the franchised office. We estimate the sum of $1,000 to $10,000. This estimate includes all of the continuing charges typically payable to the owner of the real estate, e.g., monthly rental, taxes, insurance, maintenance and other occupancy expenses. The estimate is based upon a typical 300 square foot franchised office. CRITERIUM ENGINEERS imposes only minimum specifications for the design and appearance of your office facility. You have 120 days from the date of the Franchise Agreement in which to establish an office location in the Territory.

3. Utility and Office Security Deposits.

Certain utilities (electric, gas, telephone) may require security deposits in advance of providing services. If you lease your office space, you may be required to provide a security deposit to the landlord prior to occupying the leased space. These estimates are included.

4. Other Pre-Paid Expenses, Licenses.

Governmental regulations may require various permits and licenses as either isolated or recurring expenditures. Typical of these permits and licenses are those from labor departments, sales tax bureaus and other similar state or local governmental agencies. In addition, as noted in Item 1 of this Disclosure Document, state law may require that you, at a minimum, be duly licensed as a "professional engineer" in order to render Consulting Engineering Services. We anticipate that most Franchisees will have the requisite professional licenses when they purchase the CRITERIUM® franchise and therefore will not incur any additional expense for this item in connection with their purchase of the franchise. Compliance with such licensing requirements is a

condition of the CRITERIUM® franchise. Government authorities determine fees to obtain required licenses and permits and you pay them directly as required.

5. Leasehold Improvements, Fixtures and Equipment including Computer Systems

We impose only minimal specifications for leasehold improvements to the franchised office, fixtures (such as signage) and furnishings. The specifications are described in the Confidential Operating Manual. The cost of leasehold improvements, fixtures and equipment depends upon the size of the franchised office, the nature and extent of any repair work required, the local cost of construction work and the location of the franchised office.

Below is a list of equipment, specifications, and software used to estimate initial investment. However, purchasing these exact items is not required. Your office must be equipped with systems capable of supporting current business operations and engineering tools required to provide Criterium Engineering services.

- A dedicated business telephone line and high-speed internet connection.
- A modern laptop computer compatible with Windows 10 or newer OR macOS Ventura or newer.
- Subscription to Microsoft Office 365 or Google Workspace for email and work processing as preferred (these computer specifications are minimums and more recent software releases can be recommended by the CRITERIUM ENGINEERS IT department).
- Recommended computer accessories include wireless mouse, keyboard, HD webcam, and 24” or larger secondary monitor.
- A printer/scanner.
- An Apple iPad currently supported by Apple and receiving iOS updates with a minimum of 128GB of storage and cellular data plan (case and screen protector recommended).
- A CRITERIUM web domain e-mail address.
- A digital camera (optional) and Android or iOS smartphone.

You must also implement an automated nightly data backup system via external hard drive or cloud service. Of this amount, the estimated cost associated with the purchase of the specified office equipment is $3,000. In addition, the following equipment is included in the franchise fee and must be used for the franchised business: QuickBooks Online; Constant Contact newsletter subscription (1 year), and a website with one (1) year of hosting and support. You may already possess certain equipment or may upgrade existing equipment to meet minimums. In addition, leasing of furniture and equipment may be a desirable strategy to minimize initial capital outlay.

6. Insurance.

You must procure and maintain throughout the term of the Franchise Agreement insurance of the types and amounts described in Item 8 and 9 of this Disclosure Document. The cost of insurance will vary based on policy limits, type of policies procured, geographic location, and other related factors. The figures cover insurance deposits made prior to opening. They include a $500.00 deposit paid to the CRITERIUM® reserve account for errors and omissions insurance and initial payments for business liability and other insurances.

7. Training.

You or your Designated Manager are responsible for attending and successfully completing, prior to opening Franchisee's office, the initial training program described in Items 6 and 11 of this Disclosure Document. Training programs shall be held either virtually using Zoom or other similar technology or at the offices of Franchisor and may be completed in one or more separate sessions consisting of several days each. If Franchisee or its Designated Manager is required to attend training at the offices of the Franchisor, Franchisor shall provide a minimum, reasonable travel allowance, and daily allowance for meals and lodging. Franchisor shall be entitled to determine the type and amount of said expenses and this information shall be set forth from time to time in the Manual. All additional expenses for all training sessions shall be borne by Franchisee. Franchisor invites you to enroll an unlimited number of supervisory and technical staff to participate in the initial training program whenever held. Franchisor does not pay for travel, meals or other allowances for these individuals and reserves the right to charge a fee for materials and/or license fees associated with software used during training. Alternatively, after three years of operation, Franchisee shall be entitled to train supervisory and technical staff in-house if Franchisee follows Franchisor's on-site training program. This training program is provided to protect Franchisor's brand and the Marks and not to control the day-to-day operation of the Franchised Business.

8. Advertising.

Before utilizing or distributing any promotional, marketing, or advertising materials, or implementing local promotional programs that have not been previously approved, you must submit samples and descriptions to use for written approval. If we do not notify you of our disapproval within 15 days of receiving these materials, they will be deemed approved.

You are prohibited from advertising or using the Marks in any promotional material without including the appropriate copyright, registration, or designation symbols, such as ®, TM, or SM, as applicable. These symbols must be used in accordance with our instructions.

As part of your advertising obligations, you are required to maintain a dedicated business telephone number and: 1) Maintain your website with current, human-created content, 2) Maintain your Google Business Profile (created by Franchisor) and publicly respond to online reviews, 3) Create and maintain a personal LinkedIn page AND create and maintain a company

LinkedIn page within one (1) year of the date of the Franchise Agreement, 4) Establish and regularly distribute content through and electronic newsletter services like Constant Contact, or other online platforms specified by us.

The content and advertisements used must align with the categories of the Franchised Consulting Engineering Business and other names or brands as designated by CRITERIUM ENGINEERS. All advertising must receive prior approval from CRITERIUM ENGINEERS before distribution. Social media posts and other high frequency advertising content that complies with our brand requirements and guidelines do not require approval before distribution, however we reserve the right to request removal of content we deem to be inappropriate and/or non-compliant.

9. Printing.

Included in the franchise fee are an initial supply of 250 Printed #10 Business Envelopes, 250 Printed Mailing Labels, 250 Printed Business Cards, and 2 NFC Business Cards. You may choose to purchase additional amounts and you may also be required to purchase additional supplies as prescribed in the Confidential Operating Manual.

10. Opening Inventory and Supplies.

Before beginning operations, you must purchase miscellaneous office supplies and certain tools, such as a ladder, an electrical tester, a flashlight and an awl, related to the business, identified in the Confidential Operating Manual.

11. Legal and Professional Fees.

You may incur certain legal, accounting and/or other professional fees in establishing the Franchised Consulting Engineering Business, including business formation and accounting services. Actual amounts may vary depending upon the local cost of such services, nature and type of professional services required and other related factors.

12. Additional Funds - for First 6 Months.

The chart shows additional start-up funds that may be required for the first 6 months of operation. These expenses include payroll costs, insurance, promotion and transportation costs. These figures are estimates and CRITERIUM ENGINEERS cannot guarantee that you will not have additional expenses in starting the business. Your costs will depend on factors such as: how much you follow CRITERIUM ENGINEERS' methods and procedures, your management skill, experience and business acumen, local economic conditions, the local market for our services, the prevailing wage rate, competition, and the sales level reached during the initial period.

The Minimum level reflects a sole proprietor working from a home office. It includes costs for sales and promotion, phone, postage, auto expenses and related professional expenses. The

Maximum level reflects the immediate addition of office staff, rental of office space, and a more aggressive promotional effort.

Neither the maximum nor minimum level of expenses make any assumptions of a salary that you may draw during the first 6 months of operations. Although you may draw a salary, we anticipate that you will channel some or all revenue into the business. The chart does not take into account any money which you might need for personal living expenses during this period.

13. Vehicle

This figure represents the estimated cost per month for a vehicle. The minimum estimated amount assumes you already have a vehicle. The maximum amount represents the estimated cost per month to lease a vehicle.

14. Total

All fees paid to CRITERIUM ENGINEERS are non-refundable, except as outlined in Items 5 and 6 of this Disclosure Document. Fees paid to a third party may be refundable, depending upon the arrangement and contracts, if any, made between such third party and the Franchisee.

The preceding projections are estimates of the total initial investment required of a CRITERIUM® Franchisee. Many of the expenses shown in the chart may not be incurred by you for several months after signing the Franchise Agreement, during which time you may nevertheless be able to operate the Franchised Consulting Engineering Business from your home and develop and service a clientele and generate revenue.

Minimum expenses reflect the projected least capital outlay required to establish a CRITERIUM® Franchise business. Variables, some of which are within your control, others of which are not, contribute to the estimate of Maximum Expenses.

Offices converting from the Predecessor Company's "Home Inspection Consultants" system do not incur an initial franchise fee or initial expenses to join the CRITERIUM® System.

CRITERIUM ENGINEERS relied on its experience since 1989 and that of the predecessor company to compile these estimates. You should review these figures carefully with a business advisor before deciding to purchase the franchise.

8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except those items covered by the Technology Fee, you have no obligation, under the Franchise Agreement or other practice, to purchase or lease from CRITERIUM ENGINEERS or from suppliers we designate any goods, services, supplies, fixtures, equipment, inventory or real estate relating to the establishment or operation of the Franchised Consulting Engineering Business. You

must purchase various items used in the development and operation of the Franchised Consulting Engineering Business in accordance with our specifications. Currently, these items include the equipment, supplies, stationery, and computer system software. These specifications are outlined in the Confidential Operating Manual that is provided to Franchisees. We reserve the right to change the standards and specifications if we find it necessary to do so. You will be notified of any modifications of standards or specifications through notices and periodic updates to the Confidential Operations Manual. The Franchise Agreement expressly incorporates the contents of the Confidential Operating Manual into the Franchise Agreement by reference. Therefore, your breach of any mandatory requirement contained in the Confidential Operating Manual constitutes a default under the Franchise Agreement.

You may not incorporate as CRITERIUM® but must register the CRITERIUM® name as a fictitious or assumed name or d/b/a in your state.

If you desire to apply CRITERIUM ENGINEERS' Marks to any goods used in connection with franchise operations, the supplier must agree to use and apply the CRITERIUM® Marks in accordance with our guidelines. These goods include stationery, brochures, signs, and other printed items. No other requirement exists to qualify suppliers.

CRITERIUM ENGINEERS will be the approved supplier for software and services covered by the Technology Fee which commenced in 2023. In 2025, we had total revenues of $8,587,638. Of that, $337,085 (3.93%) was from franchisees' purchases and fees of marketing materials, technology products and support, and technical services of which most was a pass-through of costs. CRITERIUM ENGINEERS added one new office in 2025. In 2025 approximately 79% of the franchisees costs for establishing the business, and approximately 6% of the franchisee's costs for operating the business, are from required purchases and marketing and technology fees. All printed materials are purchased directly from our recommended supplier, Creative Imaging Group. Neither CRITERIUM ENGINEERS nor any person or company affiliated with it receives any consideration from suppliers that we may recommend to you on account of your purchases from such suppliers, although certain items may be marked up between 15 and 25 percent above actual cost to cover processing and inventory costs. There are no approved suppliers in which any of our officers owns an interest. No one affiliated with CRITERIUM ENGINEERS is currently an approved supplier.

If you desire to purchase any items from an unapproved supplier, you will submit to us a written request for such approval, and have such supplier acknowledge in writing that you are an independent entity from us and that we are not liable for debts incurred by you. We will consider all requests and will try to advise you of our decision in writing within 30 days after receipt of the fully documented request. Requests not approved within 30 days are automatically disapproved. We will have the right to require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, at our option, either to us or to an independent, certified laboratory designated by us for testing. We may also require that the supplier comply with such other reasonable requirements, as we may deem appropriate. We reserve the right, at our option, to re-inspect the facilities and products of any such approved

supplier and to revoke its approval upon the supplier's failure to continue to meet any of our then-current criteria. Approval will be immediately revoked if the supplier ceases to use and apply the CRITERIUM marks per our guidelines. You or the supplier may be charged for the costs of our testing of a product or supplier in an amount not to exceed $1,000.

We apply the following general criteria in approving a proposed supplier: ability to provide sufficient quantity of product; quality of products and/or services at competitive prices; production and delivery capability; and dependability and general reputation of the supplier.

CRITERIUM ENGINEERS requires offices to be equipped with hardware and software systems capable of supporting current business operations and engineering tools required to provide Criterium Engineering services. Except where specified in the Franchise Agreement and/or the Manual, you are not required to obtain prior approval for office equipment purchases. Refer to Section 7 of the document for additional information regarding initial investment in office equipment. CRITERIUM ENGINEERS IT department can provide recommendations to assist with office equipment purchases.

You must also implement an automated nightly (or more frequent) data backup system via external hard drive or cloud service. Of this amount, the estimated cost associated with the purchase of the specified office equipment is $3,000. In addition, the following equipment is included in the franchise fee and must be used for the franchise business: QuickBooks Online; Constant Contact newsletter subscription (1 year), and a website with one (1) year of hosting and support.

You must maintain an insurance policy or policies protecting you and CRITERIUM ENGINEERS, their officers, directors, employees, subcontractors and other affiliated persons against any loss, liability or expense whatsoever from personal injury, death or property damage arising or occurring upon or in connection with the Franchised Consulting Engineering Business or your occupancy of the franchised office. You must name us as an additional insured on all required policies other than worker's compensation coverage.

The required insurance shall be written by companies satisfactory to CRITERIUM ENGINEERS and must include all of the following, unless we excuse any particular coverage in writing:

(1)	General Liability Insurance	Minimum Limits of Liability/Maximum Deductible
	Bodily Injury	$1,000,000 each person/ $1,000 deductible
		$1,000,000 each accident/ $1,000 deductible

	Property Damage	$1,000,000 each accident/ $250 deductible
(2)	Errors and Omissions for all inspection and consulting engineering services provided	$4,000,000 per year $2,000,000 each claim $25,000 deductible

To the extent CRITERIUM ENGINEERS is able to obtain errors and omissions (professional liability) insurance, you may elect to be included under our affiliate policy. Each CRITERIUM® office which elects such coverage, to the extent it is available, shares pro rata in the cost of the errors and omissions insurance based upon a ratio of each office's Gross Billings to the total aggregate Gross Billings of all CRITERIUM® offices included under our master policy. Each participating CRITERIUM office contributes to a reserve fund to cover claim fees within the deductible and pays an administration fee for the costs of managing the program.

(3) Worker's compensation coverage as provided by applicable state law where the Franchised Consulting Engineering Business is located.

(4) Business umbrella liability insurance in an amount not less than $1,000,000.00.

(5) Automobile insurance containing a non-ownership and/or hired vehicle endorsement including CRITERIUM ENGINEERS as a named insured.

(6) Employment practices liability insurance coverage in an amount ranging from $100,000 to $250,000, depending on the size of your office and the number of employees you have. CRITERIUM ENGINEERS must be named as an additional insured.

You must submit to us certificates of insurance showing compliance with the requirements within 30 days after you execute the Franchise Agreement, but in no event later than the first day you start doing business to the public under the Marks and using the CRITERIUM® System, whether operating from a home office or from the franchised office. Each certificate must state that the policy or policies cannot be canceled or altered without at least 30 days prior written notice to CRITERIUM ENGINEERS and must reflect proof of payment of premiums. Minimum insurance limits may be modified periodically, based upon inflation or our experience with claims, by written notice to you. Should you fail to maintain any required insurance, we may procure the same after giving you notice of our intent to do so, and you must pay and reimburse us for all actual costs of same upon demand.

Printed materials plus insurance costs may represent up to 6 percent of all purchases required in establishing and operating the business.

There are currently no active purchasing or distribution cooperatives. As a service, we occasionally negotiate preferred pricing arrangements with suppliers, however we do not require you to purchase from these suppliers. We will pass any discounts or volume credits directly to you. Currently, we have preferred pricing arrangements with:

- CRITERIUM ENGINEERS has established a Franchise Partnership account with Constant Contact, which provides a monthly discount to Franchisees who choose to participate. Fees are charged as a pass through amount with no mark up.

- Intuit's QuickBooks, through PDriven provides a first-year discount to CRITERIUM ENGINEERS when the program is obtained, which may or may not be afforded to the Franchisee in subsequent years. Fees are charged directly from QuickBooks.

- HubSpot is an optional third-party Customer Relationship Manager (CRM) provider which discounts its products to Franchisees. Fees are charged directly from HubSpot.

- PandaDoc is an optional third-party document e-signature and management system which discounts its products to Franchisees. Fees are charged directly from Pandadoc.

CRITERIUM ENGINEERS has established an online portal with Creative Imaging Group, which provides printed items, marketing items, wearables, etc. Fees are charged as a pass through amount with no mark up.

We do not provide material benefits (such as renewal or granting additional franchises) to you based on your purchase of particular products or services or use of particular suppliers.

9
FRANCHISEE'S OBLIGATIONS

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

FRANCHISE AGREEMENT

OBLIGATION	*SECTION IN AGREEMENT*	*DISCLOSURE DOCUMENT ITEM*
a. Site Selection and Acquisition/Lease	Section 2 & Exhibit A	Items 5.C, 8 & 11
b. Pre-opening Purchases/Leases	Section 13	Item 7 & 11
c. Site Development and Other Pre-opening requirements	Sections 2, 8 & Exhibit A	N/A
d. Initial and Ongoing Training	Section 8 Exhibit H	Items 6, 7 & 11
e. Opening	Not Applicable	Items 8. & 11

OBLIGATION	*SECTION IN AGREEMENT*	*DISCLOSURE DOCUMENT ITEM*
f. Fees	Sections 3, 9, 10, 15, 17	Items 5 & 6
g. Compliance with Standards and Policies/ Operating Manual	Sections 5, 6, 7, 9 & 10	Items 1.B, 8. & 11
h. Trademarks and Proprietary Information	Sections 5, 6, 7 & Exhibit E	Items 13 & 14
I. Restrictions on Products/Services Offered	Sections 2, 5, 7, 12	Items 8 & 16
j. Warranty and Customer Service Requirements	Section 11	N/A
k. Territorial Development and Sales Quotas	Section 2	Item 12
l. Ongoing Product/Service Purchases	Section 12	Item 8
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10
FINANCING ARRANGEMENTS

Summary of Financing Offered

ITEM FINANCED (SOURCE)	*FINANCING TERMS[1]*
Initial Franchise Fee; CRITERIUM ENGINEERS-Amount Financed[1]	$54,500 to $84,500
Down Payment	$40,875
Terms (Years)	2
APR (percent)	15
Monthly Payment	$641.38 to $2,120.20
Prepay Penalty	None
Security Required	Personal Guarantee
Liability on Default	Loss of Franchise - Unpaid Loan
Loss of Legal Right on Default	Waive Notice - Confess Judgment

NOTES

1. Financing Terms.

If you qualify, CRITERIUM ENGINEERS may, in its discretion, offer financing of up to 25 percent, or $13,625, of the initial $54,500 minimum, plus 100 percent of any additional franchise fee amount. The terms of such financing are in an unsecured promissory note, in the form attached to the Franchise Agreement as Exhibit "G." The note shall be dated the same date as the Franchise Agreement and you will sign it concurrently with the execution of the Franchise Agreement. The note bears interest at the lesser of 15% per annum or the maximum legal rate of interest at the time of its execution.

Payment of the financed portion of the initial franchise fee is due in twenty-four (24) equal monthly installments of principal and interest, with the first installment one month from the date of the note.

If the Franchisee is a corporation, each officer and shareholder of the Franchisee must execute a personal guaranty of the note, agreeing to be personally jointly and severally liable for its repayment. The form of personal guaranty is attached to the Franchise Agreement as Exhibit "B."

You may prepay the note at any time without premium or penalty. Should you default in any payment, the entire unpaid principal balance of the note, together with accrued interest and all costs incurred in collecting this balance (whether or not litigation is initiated), shall become immediately due and payable in full from you or any one of the guarantors. Under the Franchise Agreement, your default under the note shall constitute a breach of the Franchise Agreement permitting CRITERIUM ENGINEERS to terminate the Franchise Agreement unless the default is timely cured. Likewise, under the note, a default in payment of any installment due constitutes a default under the Franchise Agreement.

Before suit for payment, CRITERIUM ENGINEERS is not required to serve you or any guarantor with notice of non-payment or default, nor are we required to present the original note for payment at maturity as a condition of final payment. CRITERIUM ENGINEERS will endeavor to send you the note marked "canceled" following its payment in full. CRITERIUM ENGINEERS, at its option, may extend the time for payment under the note provided the extension is confirmed in writing. Such extension does not affect the liability of any guarantor.

CRITERIUM ENGINEERS has no present plan to sell or assign the note to any third party, although it may do so in the future. If CRITERIUM ENGINEERS does sell or assign the note, you may lose all defenses against CRITERIUM ENGINEERS and others in a collection action on a note that is sold or discounted. CRITERIUM ENGINEERS does not receive direct or indirect payments for placing financing.

Except as provided in this Item 10, neither CRITERIUM ENGINEERS, nor any agent or affiliate of CRITERIUM ENGINEERS, directly or indirectly, offers you any financing arrangements nor do they guaranty the payment of financing you obtain from third parties.

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

Except as listed below, CRITERIUM ENGINEERS is not required to provide you with any assistance.

A. Pre-Opening Obligations

(1) Selection of a location for your business office is your responsibility. The choice of location must be within the TERRITORY as described in the Franchise Agreement (Exhibit A) and is subject to our approval, which we shall not unreasonably withhold or delay. CRITERIUM ENGINEERS will review sites and other site data you compile or assemble for each franchised office which you desire to open and notify you of our approval or disapproval of each proposed site within one week after receiving your written proposal. In approving site locations, CRITERIUM ENGINEERS may consider factors that impact operational processes such as a location's professional commercial address, compliance with digital business registry standards, adequate mail and package handling, and review of photographs and/or plans of the proposed location. CRITERIUM ENGINEERS will grant site approval within one week of receiving the required information. We do not currently own sites for leasing to franchisees. CRITERIUM ENGINEERS may terminate the Franchise Agreement if the parties cannot agree upon a site location. You must begin operating the Franchised Consulting Engineering Business from the approved office location by no later than 120 days from the date of the Franchise Agreement. Franchisees may utilize an approved on-demand space other than their office location for in-person meetings that exceed the capacity of the office location. (Franchise Agreement Section 2)

(2) CRITERIUM ENGINEERS provides a mandatory initial training program of approximately 90 hours to you or your Designated Manager. Training must be completed to our satisfaction. (Franchise Agreement Section 8.3.1). See below in this Item 11 for additional information regarding the initial training program.

(3) We will review all promotional materials and advertising you initiate that you propose to use in connection with pre-opening promotion, as well as following opening. You must obtain our approval prior to use of such materials. (Franchise Agreement, Section 9.1.2.) CRITERIUM ENGINEERS may provide assistance in the formulation and design of the pre-opening advertising program. There are currently no specific advertising restrictions relating to your use of the electronic media, such as the Internet and web pages. However, you must follow our graphic design standards. We will provide you with a Web site to help you accomplish that. Before utilizing or distributing any promotional, marketing, or advertising materials, or implementing local promotional programs that have not been previously

approved, you must submit samples and descriptions to use for written approval. If we do not notify you of our disapproval within 15 days of receiving these materials, they will be deemed approved. You are prohibited from advertising or using the Marks in any promotional material without including the appropriate copy right, registration, or designation symbols, such as ®, TM , or SM, as applicable. These symbols must be used in accordance with our instructions. Social media posts and other high frequency advertising content that complies with our brand requirements and guidelines do not require approval before distribution, however we reserve the right to request removal of content we deem to be inappropriate and/or non-compliant.

(4) Franchisor shall provide Franchisee with an initial supply of printed and promotional materials for the operation of the Consulting Engineering Service Business licensed herein. (Franchise Agreement Section 13.3 and Exhibit H)

(5) Franchisor shall direct Franchisee to procure a bookkeeping system and to record revenue and expenses on forms similar to or compatible with those employed by other franchisees, and Franchisee agrees to employ the bookkeeping system in order to generate the reports required by the Franchise Agreement. (Franchise Agreement Section 12.4)

(6) CRITERIUM ENGINEERS posts its Confidential Operating Manual, which details mandatory specifications, standards and operating procedures, on mycriterium-engineers.com, a proprietary website available to affiliates and staff. Additional requirements, with which the Franchisee must adhere, are also located on mycriterium-engineers.com, and are not in the Operations Manual. The Table of Contents for the Operating Manual appears in the table below. We may modify the Manual and website to reflect changes in the methods, standards, specifications and services approved for CRITERIUM® businesses operating under the Marks and using the CRITERIUM® System. You review the Manual and website regularly and check for updates. (Franchise Agreement, Section 7.1.)

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NOTE: ALL MANUALS ARE SUPPORTED BY EXTENSIVE EXHIBITS, SAMPLE FORMS AND MATERIALS.			

B. Time to Open

You must begin operating the Franchised Consulting Engineering Business from the approved office facility by no later than 120 days from the date of the Franchise Agreement. As previously noted, before that time, you may operate the Franchised Consulting Engineering Business out of your home, provided you satisfy certain specifications for a home office, which are specified in the Confidential Operating Manual. In our experience, the average length of time between the time you sign the Franchise Agreement and the time you open for business at the approved office location is one month. Factors affecting the time to open include obtaining a satisfactory location, ability to obtain a lease and financing, attendance at and satisfactory completion of our Initial Training Program, construction, complying with local ordinances, completing delivery and installation of equipment and signs and procuring opening inventory.

C. Advertising

Grand Opening

You are not required to spend any money on advertising associated with the grand opening of your business. (Franchise Agreement, Section 9.4)

Marketing Fund

CRITERIUM ENGINEERS manages and maintains a Marketing Fund, as outlined in Franchise Agreement, Section 9.2. Franchisees must contribute either 1% of the prior month's gross receipts

or $50.00, whichever is greater, each month. These contributions are deposited into a Marketing Fund, kept separate from CRITERIUM ENGINEERS' general operating account.

The Marketing Fund is used for costs associated with creating, managing, and executing advertising, public relations, and sales promotions. This includes printed materials, marketing services, research, development, and reasonable administrative expenses related to the Communications Account and marketing programs.

CRITERIUM ENGINEERS retains full discretion over how Marketing Fund contributions are used, including decisions on creative direction, format, content, timing, location, and media type.

Advertising channels may include print, television, radio, Internet, or other platforms and may target local, regional, or national audiences. Although advertising is currently conducted in-house, CRITERIUM ENGINEERS may choose to employ a national or regional advertising agency in the future.

In fiscal year 2025, the funds were spent as follows:

Memberships	1%
Tradeshows	20%
Advertising	69%
Other (content creating, subcontractors, etc.)	5%
Internet/Web Costs	1%
Personnel	4%
Total:	100.00%

We make no representation as to the amount or percentage of total Marketing Fees collected which will be spent in any given geographic region, that monies will necessarily be spent on national advertising, or that monies will be spent in your market area in proportion to your contribution. While CRITERIUM ENGINEERS will attempt to expend Marketing Fees on a current basis, we may recover over-expenditures from previous fiscal years and may carry forward under-expenditures to succeeding fiscal years. Franchisees may obtain a non-audited accounting of the Communications Account on an annual basis upon request.

All franchisees must contribute to the fund. We do not require those offices operating under the predecessor's agreements to contribute to the fund. We have waived payment of Marketing Fee for one franchisee, which has operated under the predecessor agreement since 1970, when they signed a new Franchise Agreement. All franchisees required to do so contribute at the same rate.

Neither CRITERIUM ENGINEERS or any affiliate receives payment for providing goods or services to the Communications Account. None of the Communications Account is used for the solicitation of new franchisees.

Marketing Resources, Pre-Approvals For Marketing Materials, and Internet Marketing

You must submit all advertising you create for our approval before first use or distribution. There are currently no specific advertising restrictions relating to your use of the electronic media, such as Internet and web pages. However, you must follow our graphic design standards. Social media posts and other high frequency advertising content that complies with our brand requirements and guidelines do not require approval before distribution, however we reserve the right to request removal of content we deem to be inappropriate and/or non-compliant. If we use and make available to other CRITERIUM® Franchisees any advertising or promotional materials you create for your local use, CRITERIUM ENGINEERS, in our sole discretion, may compensate you for your direct out-of-pocket production costs incurred in producing such materials.

We retain the sole right to market on the Internet, including all use of websites, domain names, URLs, linking, advertising, public/social media and/or networking pages and groups (i.e. Facebook, LinkedIn) and their associated URLs, and co-branding arrangements. You may not 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, without our prior review and written approval.

Internet Directory Advertising

Franchisees must: 1) List and advertising their business telephone number and website URL, 2) Maintain a website with current, human-created content, 3) Maintain your Google Business Profile (created by Franchisor) and publicly respond to online reviews, 4) Create and maintain a personal LinkedIn page AND create and maintain a company LinkedIn page within one (1) year of the date of the Franchise Agreement and 5) Regularly post content on LinkedIn profiles, Google Business Pages, electronic newsletters (e.g., Constant Contact), and other online platforms specified by the franchisor. All advertising content must be pre-approved by CRITNERIUM ENGINEERS.

Currently, franchisees are not required to participate in a local or regional advertising cooperative or in any Communications Fund other than that which is described above. We reserve the right, upon ninety (90) days advance notice, to require franchisees to spend up to two percent (2%) of the previous month's Gross Receipts on local advertising. (Franchise Agreement, Section 9.1)

D. Obligations After Opening

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

(1) From time to time, advise or offer guidance to you verbally or in print by electronic communications, myCriterium (intranet), newsletters and other methods that, in our judgment, constitute good business practice. Such guidance will be based on the experience of us and our

franchisees in operating Criterium Engineers Franchised Businesses. (Franchise Agreement, Section 12.1)

(2) Make periodic visits to the Franchised Business for the purposes of consultation, assistance, and guidance in various aspects of the operation and management of the Franchised Business. We may prepare written reports outlining any suggested changes or improvements in the operations of the Franchised Business and detail any deficiencies, which become evident as a result of any such visit. If prepared, a copy of the written report may be provided to you. (Franchise Agreement, Section 12.2)

(3) CRITERIUM ENGINEERS will communicate improvements in the CRITERIUM® System to Franchisee as such improvements may be developed or acquired by Franchisor and implemented as part of the System. (Franchise Agreement, Section 12.5)

(4) Make available to you operations assistance and ongoing training as we deem necessary. (Franchise Agreement, Sections 8.2 and 8.4)

(5) We may, from time to time, present seminars, enterprise events or continuing development programs for the benefit of franchisees. You are encouraged to attend regional meetings and you are required to attend all annual enterprise events. You must pay for any registration fees, materials and travel and living expenses incurred in attending all seminars and enterprise events. (Franchise Agreement, Section 8.5)

(6) Upon request, we may provide additional on-site assistance to you. We reserve the right to charge you a daily flat fee, plus travel expenses, lodging and meals, for each of our employees or designees that provide the requested additional on-site assistance to you for each day the assistance is provided. Provided, however, that such fees shall be agreed upon in writing and in advance of assistance. (Franchise Agreement, Section 8.6)

(7) We will provide a continuing advisory service which shall include, but not be limited to, consultation on promotional, business or operational problems with analysis of your sales, marketing and financial data. (Franchise Agreement, Section 8.6.2) CRITERIUM ENGINEERS does not assist you with establishing prices at which you must sell your services.

(8) CRITERIUM ENGINEERS will hold seminars on technical and operational changes in the CRITERIUM® System, issue periodic newsletters, bulletins and other written materials, conduct "peer review" programs and hold seminars on sales, marketing developments, inspection aides and technical issues. We furnish some written materials, newsletters and bulletins without charge and others may be furnished at our then-current prices as published in the Confidential Operating Manual. We provide an initial supply of stationery, brochures, and promotional materials at no charge to you. (Franchise Agreement, Section 8.6.3.).

(9) CRITERIUM ENGINEERS provides engineering technical support to which all Franchisees and their technical staff have access. Support requests are submitted online through

myCriterium (intranet). A technical forum is also available. We, as a matter of policy, furnish basic technical support without charge. More extensive technical support for project work may be provided at a reduced rate to Franchisees. (Franchise Agreement, Section 8.6.4).

E. Computer Systems and Office Equipment

CRITERIUM ENGINEERS reserves the right to specify the brands and types of office equipment required for the operation of the Franchised Consulting Engineering Business. CRITERIUM ENGINEERS requires offices to be equipped with hardware and software systems capable of supporting current business operations and engineering tools required to provide Criterium Engineering services.

Franchisee is responsible for equipping their office with the required office equipment, hardware and software systems, except as included in the Franchise Fee or Technology Fee. Your initial cost of purchasing the required equipment is approximately $3,000. CRITERIUM ENGINEERS IT department can provide recommendations to assist with office equipment purchases.

Presently, an office must be equipped, at a minimum, with the following: a dedicated business telephone line and high-speed internet connection; a modern laptop computer running an updated operating system and compatible with Microsoft 365 or Google Workspace (these computer specifications are minimums and more recent software releases can be recommended by the CRITERIUM ENGINEERS IT department); a modern mobile device for image capture (tablet, smartphone and/or digital camera). You must also implement an automated nightly (or more frequent) data backup system via external hard drive or cloud service.

The following equipment is included in the franchise fee for the first 12 months or $75,000 cumulative gross revenue (whichever occurs first): QuickBooks Online (1 year); and a website with one (1) year of hosting and support; Constant Contact newsletter subscription (1 year). After the first year or initial $75,000 in gross revenue, web hosting is included in the cost of the monthly Technology Fee. The annual cost for QuickBooks and Constant Contact depends on your choice of plans from these providers and may be covered in the cost of the Technology Fee.

CRITERIUM ENGINEERS reserves the right to require franchisees to upgrade or update any and all hardware components or software programs during the term of the Franchise Agreement, without any limitation on the frequency or cost of the obligation. Upgrades may require you to make significant expenditures. We do not reimburse you for these expenditures. We cannot estimate the cost of maintaining, updating or upgrading your computer equipment because it will depend on your repair history, local costs of computer maintenance services in your area and technological advances which we cannot predict. The Franchisor will not have independent access to information and data that is electronically collected by franchisee,

however the Franchise Agreement gives us the right to access it. (Franchise Agreement, Sections 11.7.2 and 10.5).

You are solely responsible for protecting yourself from viruses, computer hackers, and other communications and computer-related problems, and you may not sue us for any harm caused by these communications and computer-related problems. Franchisor makes no representation concerning, and expressly disclaims any liability arising out of or in connection with, the services rendered or products furnished by CRITERIUM ENGINEERS or any supplier approved or designated by Franchisor. Franchisor's approval or consent to any services, goods, suppliers, or any other individual, entity or any item shall not create any liability to Franchisor**.**

F. Training

The initial training program provided by our headquarters staff may consist of any combination of virtual, on-line classroom instruction, in-person instruction, field training, and on-site at your office. The initial training program may be completed in one or more separate sessions consisting of several days each. You, or your Designated Manager, must complete the initial training program to our satisfaction before beginning franchise operations. If you are an individual and cannot successfully complete the initial training program, we may terminate your Franchise Agreement. If you are a business entity and your Designated Manager cannot successfully complete the initial training program, we will give you 30 days to select a substitute Designated Manager; however, if you cannot find someone acceptable to us, we may terminate the Franchise Agreement. We are not obligated to provide training to a replacement Designated Manager free of charge.

Training instruction covers the company, franchise administrative matters, bookkeeping and reporting systems, marketing, customer service and technical training (see table below). We do not require persons owning offices which convert from the Predecessor Company's "Home Inspection Consultants" network to attend the initial training program.

CRITERIUM ENGINEERS TRAINING PROGRAM

Module #	Time (minutes)	Subject	Format
i.	30	Introductions	Synchronous
THE COMPANY			
1A	20	We are CRITERIUM ENGINEERS	Independent
1B	60	The Profession of Engineering	Synchronous
1C	40	Criterium's Mission, Vision and Strategic Planning	Synchronous
1D	40	The Affiliate Network	Hybrid
1E	30	Delivering Exceptional Client Service	Synchronous
1F	30	Delivering Quality	Synchronous
CORE SKILLS			

2A	85	Communication, oral and interpersonal – DISC profile	Hybrid
2B	50	Communication, written	Synchronous
2C	130	Technical writing	Synchronous
2D	45	Critical Observation	Synchronous
2E	25	Professional Licensing/Certification	Independent
2F	30	Leadership / Mentorship	Synchronous
2G	30	Time Management	Hybrid
2H	30	Collaboration and Team Work	Synchronous
2I	30	Skills Inventory	Synchronous
OUR SERVICES			
3A-1	40	The inspection process	Synchronous
3A-2	615	Safety + OHSA 10 Certification	Independent
3A-3	30	Testing Services	Synchronous
3A-4	30	Drone Inspections	Synchronous
3B-1	60	Home Inspection	Independent
3B-2	60	Structural Inspections	Synchronous
3B-3	45	Manufactured Homes	Independent
3C	25	Commercial Inspection / PCA	Synchronous
3D	45	Environmental Site Assessment (ESA)	Synchronous
3E	90	Reserve Fund Study	Synchronous
3F	45	Transition Study	Independent
3G	45	Cost Segregation Study	Synchronous
3H	45	179D Study	Synchronous
3I-1	45	New Construction	Synchronous
3I-2	55	Construction Engineering Services (CES)	Synchronous
3J	45	Providing Litigation Services	Synchronous
3K	225	Inspection / Peer Review	Hybrid
AFFILIATE OPERATIONS			
4A	45	Being a Consulting Business	Hybrid
4A-1	45	Building the Business	Hybrid
4A-2	30	Know your Market	Synchronous
4A-3	60	Business Planning – SWOT Analysis and Succession Planning	Synchronous
4A-4	30	Mission, Vision & Goals	Synchronous
4A-5	30	Business Management - Healthcheck	Synchronous
4A-6	15	CE Branding	Independent
4A-7	15	Engaging the Engineering Community	Synchronous

4B	45	Marketing, Sales & Competition	Synchronous
4B-1	45	Tactics: Building Client Relationships	Synchronous
4B-2	30	Tactics: Digital Marketing	Synchronous
4B-3	55	Market Competition	Synchronous
4B-4	45	Proposals & Service Agreements	Synchronous
4B-5	30	Retaining Clients	Synchronous
4B-6	30	Assessing Results	Synchronous
4C	45	Accounting & Financials	Synchronous
4C-1	60	Financial Management 101	Synchronous
4C-2	240	Tools: Quickbooks Tutorials: Accounting terminology	Independent
4C-3	15	Accounts Receivable	Synchronous
4C-4	15	Business Expenses	Synchronous
4C-5	30	Affiliates Responsibilities – Financial	Hybrid
4D	30	Project & Resource Management	Synchronous
4D-1	15	Criterium Resources	Independent
4D-2	60	Human Resources Management	Hybrid
4D-3	60	IT Resources	Independent
4D-4	60	Project Administration	Synchronous
4D-5	30	Workflow	Synchronous
4D-6	35	Profitability	Synchronous
4D-7	15	Engineering Resources	Independent
4E	50	Risk Management	Independent
4E-1	30	Understanding Insurances	Independent
4E-2	90	Risk Management – Case Studies	Hybrid
4E-3	50	Claim Management	Independent
4E-4	25	Document Discovery & Retention	Independent
ON-SITE TRAINING			
5A	960	Inspection Training and Practice Inspections – 3 jobs (Residential, Commercial, HOA)	Synchronous
5B	480	Client Visitations – Property Management, Commercial Broker	Synchronous
5C	180	Marketing Research and Activity Priorities	Hybrid
5D	30	Tracking Utilization	Synchronous
TOTAL	90 Hours		

*The initial training program consists of up to 90 hours of instruction and experiential training. There may be gaps between training modules outlined above. The sequence of topics covered in the initial training program may be altered and/or customized by the Franchisor in

response to the prior experience of individual participants. The initial training may include virtual, on-line training, training at our specified training facility or training at the franchised location.

The instructional material for the initial training program consists of our Operations Manual, handouts, video and Software. The initial training program and other on-going training may be facilitated through our online Learning Management System (LMS), and will be conducted by the following people:

1. David E. Leopold, President and Director for CRITERIUM ENGINEERS. Mr. Leopold joined the franchisor in 2018 and has nearly 27 years of experience in senior management roles for Fortune 500 and other companies.

2. H. Alan Mooney, Founding President, and Director for CRITERIUM ENGINEERS. Mr. Mooney joined the franchisor in 1974 and has 57 years of experience in the field of consulting engineering.

3. Rebecca Costigan, P.E., Chief Engineer for CRITERIUM ENGINEERS. Ms. Costigan joined the franchisor in 2013 and has 26 years of experience in energy and building engineering as both a lead field engineer and a project managing engineer.

4. Deb Adams, Vice President, Affiliate and Shared Services for CRITERIUM ENGINEERS. Ms. Adams joined the franchisor in 2019 and has 25 years of experience in the field of STEM education.

5. Micayla Brooks, Vice President, Client Success for CRITERIUM ENGINEERS. Ms. Brooks joined the franchisor in 2022 and has 23 years of experience in business development and account management.

6. Ralph Manglass, Jr,, P.E., Senior Engineer for CRITERIUM ENGINEERS. Mr. Manglass joined the franchisor in 2023 and has 33 years of experience in the field of engineering.

7. Hunter Griffiths, MBA, E.I., Project Engineer for CRITERIUM ENGINEERS. Mr. Griffiths joined the franchisor in 2020 and has over 5 years of experience in the field of engineering.

8. Joey Dryman, Director of Field Engineers Inspections for CRITERIUM ENGINEERS. Mr. Dryman joined the franchisor in 2019 and has 7 years of experience in building inspections and project management.

9. Brandon Nix, Director of Quality Assurance Testing for CRITERIUM ENGINEERS. Mr. Nix joined the franchisor in 2022 and has 9 years of experience in building envelope performance testing.

10. Derek Brown, Director of Information Technology for CRITERIUM ENGINEERS. Mr. Brown joined the franchisor in 2013 and has 17 years of experience in the information technology field.

11. Andre Nembhard, Mr. Nembhard joined the franchisor in 2022 and has 12 years of experience in building construction including construction oversight, code compliance and technical field inspections.

12. Kevin Schoffstall, Mr. Schoffstall joined the franchisor in 2022 and has over 20 years of experience in construction and is a certified / licensed drone pilot specializing in roof inspections with over 1000 logged flights.

13. Lisa Cunningham, Senior Project Accountant for CRITERIUM ENGINEERS. Lisa joined the franchisor in 2015 and has 27 years of experience in the field of finance.

14. Michael Thorp, Affiliate Services Manager for CRITERIUM ENGINEERS. Mr. Thorp joined the franchisor in 2023 and has 13 years of experience in operations management.

15. Robin Tozier, Risk Manager, Ms. Tozier joined the franchisor in 2024 and has 18 years of experience in the field of insurance.

Although we have no plans to do so, we reserve the right to change or substitute training personnel as necessary, and we may delegate our duties and share our responsibilities with regard to training.

It is CRITERIUM ENGINEER'S practice and policy to permit you to send newly hired supervisory, engineering, technical and operations employees who do not participate in the pre-opening training program to subsequent corporate training sessions. Arrangements for such training are subject to availability. Technical employees are typically required to attend in compliance with our Risk Management Program.

We do not charge a fee for the initial training program for you or your Designated Manager. We reserve the right to charge a fee for materials and/or license fees associated with software used during training for additional newly hired employees. You are responsible for any expenses for your employees who attend training, as well as salary expenses, if any, for such employees. This training program is provided to protect our brand and the Marks and not to control the day-to-day operation of your business.

The training program is conducted under the supervision of Rebecca Costigan, P.E. and Deb Adams.

CRITERIUM ENGINEERS does not currently require but reserves the right to require that you or your staff attend mandatory refresher training or continuing education programs as a

condition of the franchise license. You are required to attend Criterium Engineers' national conference and Enterprise Events (for example, the owners' Retreat) when held, unless prior written permission is granted. In addition, access to and participation in optional group programs, such as our errors and omissions group insurance program may require that you fulfill annual training and minimum annual continuing education requirements. You can accomplish this through attendance at CRITERIUM ENGINEERS-sponsored programs or at professional programs approved by us.

Franchisor has the same obligations to conversion franchisees as to all other franchisees operating under the CRITERIUM® System.

12
TERRITORY

Single Unit Franchise Agreement

We will grant you an area of primary responsibility for all, or a portion, of a metropolitan area with a population in the range of 500,000 to 1,500,000 people (for the purposes of this document, this area of primary responsibility or "exclusive territory" is referred to as the 'Territory' and is defined as an area in which we will not locate another CRITERIUM® franchise or establish a company-owned outlet or channels of distribution using the Franchisor's trademark). This is the only exclusive right granted you. The Territory is determined by negotiation of the parties before the Franchise Agreement's execution, and a map depicting the geographic boundaries of the Territory is attached by the parties as Exhibit "A" to the Franchise Agreement at the time of its signing. FRANCHISEE may request, and CRITERIUM ENGINEERS may choose to consider offering, a Right of First Refusal to purchase another CRITERIUM® Franchise for an abutting or non-contiguous additional Territory if that Territory is not currently assigned to another Franchisee through a lawfully executed Franchise Agreement. CRITERIUM ENGINEERS reserves the right to charge a fee for extending the Right of First Refusal and may choose to apply said fee to the purchase of the additional Franchise.

Changes which may occur in the Territory's population during the Franchise Agreement's term will not result in any refund of the initial franchise fee, redrawing of the Territory's boundaries or incur any additional franchise fee. You do not receive the right to acquire additional franchises within your Territory (as described below).

The Franchise Agreement provides that it is an event of default, permitting termination of the Franchise Agreement, for you to fail to realize minimum annual Gross Receipts in the amounts indicated below, starting after the end of the first 12 months from execution of the Franchise Agreement and for each 12-month period during the term of the Franchise Agreement:

Population Base –	0 – 500,000	500,001 – 1,000,000	1,000,001 – 2,000,000	Each additional 1,000,000 add
Year 1 (first 12 months)	$0	$0	$0	$0
Year 2	$50,000	$75,000	$75,000	$75,000
Year 3	$100,000	$150,000	$200,000	$150,000
Year 4	$150,000	$225,000	$300,000	$225,000
Year 5	$200,000	$300,000	$400,000	$300,000

If, at any time during the term of the Franchise Agreement, you fail to attain the minimum Gross Receipts outlined in the Franchise Agreement for any twelve (12) consecutive month period commencing after the end of the first 12 months from execution of the Franchise Agreement, then at our option, we may: (1) terminate the franchise agreement; or (2) reduce the size of the franchise territory. If offered, you may either accept or decline the re-designed franchise territory. If you do not accept the re-designed franchise territory, then we may terminate the Franchise Agreement.

In this respect, the continuation of your exclusive rights in the Territory depends upon achievement of a certain sales volume or other contingency since your failure to meet the minimum annual Gross Receipts level may result in termination of the franchise. At our option, if you fail to achieve the minimum sales volume, we may offer you the ability to continue to operate the franchise with a re-designed territory. You may accept this as an alternative to termination of the franchise. However, under those conditions, we may be permitted to establish another franchise within the Territory.

Additionally, after the end of the fourth anniversary of the initial Franchise Agreement, for any 12-month period, your territorial exclusivity will be immediately terminated if your annual Gross Receipts do not meet or exceed the established minimum. If your territorial exclusivity is terminated for the reasons outlined above, you will not receive reduction or refund of any fees. 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 may conduct building evaluations outside of your Territory, provided (1) you are legally licensed to render such evaluation services in the jurisdiction where they are performed, and (2) you do not render such services in any Territory which has been assigned to another CRITERIUM® Franchisee or to a licensee operating under the "Home Inspection Consultants" network that has been granted exclusive rights within that Territory. You may use other channels of distribution, such as the Internet, telemarketing or other direct marketing, to make sales outside your Territory, however you may not use other channels of distribution to make sales within the territory of another franchisee.

Any CRITERIUM® office, whether owned by CRITERIUM ENGINEEERS or another Franchisee, as well as “Home Inspection Consultants” offices, may provide Consulting Engineering Services in any geographic area and to any customer, while the provider is legally licensed to render these

Consulting Engineering Services in the jurisdiction where they are performed. However, you are another CRITERIUM® franchisee may not provide these services within the exclusive territory of any other CRITERIUM® franchisee. We will maintain documentation, accessible to all Franchisees, of the geographic boundaries assigned as areas of primary responsibility to other Franchisees and to "Home Inspection Consultants" licensees.

CRITERIUM ENGINEERS has no present plan to establish any other franchises or businesses offering similar services under a different name or trademark as those offered by CRITERIUM® offices utilizing the CRITERIUM® System and under the Marks. However, except as provided in this Item 12 regarding building evaluation services, the Franchise Agreement contains no limitation on our right to do so.

CRITERIUM ENGINEERS may seek to obtain work from clients with cross-territorial footprints. This work may be at one or various locations around the country. For any transactional services (single transactions usually performed within a short period of time), we will assign all work we obtain within your Territory to you. We may negotiate the fees for these services on your behalf. CRITERIUM ENGINEERS may also solicit work within your Territory which are ongoing, longer-term services which may require specialized training, licensure and technology. We agree to make the necessary training accessible and assign the work in your territory to you, provided you have successfully completed the training and demonstrated competence in providing the services. You have no obligation to accept these assignments. If you decline to accept any assignment we refer to you, we may assign the work to any other engineer or franchise without having to obtain your permission and without having to pay you a royalty or commission. If Franchisee's performance on these assignments is unacceptable, Franchisee's access to assignments may be temporarily or permanently suspended, limited and/or monitored at our discretion.

We reserve the right, among others:

(1) To establish, and license others to establish other businesses under other systems using other proprietary marks at such locations and on such terms and conditions as we deem appropriate;

(2) to own, franchise, or operate CRITERIUM ENGINEERS Businesses at any location outside of the Territory, regardless of the proximity to your CRITERIUM ENGINEERS Business. We will not establish within your Territory another franchisee or company-owned outlet which may also use the franchisor's trademark;

(3) 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 Territory. This includes, but is not limited to, retail locations and other channels of distribution such as the Internet. We are not required to compensate you for soliciting or accepting orders inside your territory;

(4) 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 which are not similar to the business operated by you;

(5) to purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with your CRITERIUM ENGINEERS Business, wherever located;

(6) to acquire and convert to the System operated by us any businesses offering services and products related to operating a consulting engineering service business, 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 Territory; and

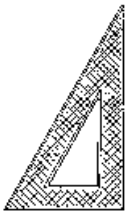
(7) to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate these multi-area marketing programs.

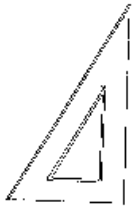
13
TRADEMARKS

CRITERIUM ENGINEERS authorizes you to use the logo appearing on the cover page of this Disclosure Document in the operation of its Franchised Consulting Engineering Business. The Franchise Agreement grants you the right to operate the Franchised Consulting Engineering Business under the trade name "CRITERIUM®", "CRITERIUM® - _____ ENGINEERS" and under such other trademarks, trade names, service marks, logotypes and commercial symbols which we designate in writing (the "Marks").

COAST TO COAST ENGINEERING SERVICES, INC. d/b/a CRITERIUM ENGINEERS has registered the following Marks on the Principal Register of the United States Patent and Trademark Office:

Mark	Type	Class	Services	Reg. No.	Reg. Date
CRITERIUM	Standard Character Mark	37 42	Preventative building maintenance planning services; building inspection and investigation services Consulting engineering services; consulting in the field of litigation	1,602,854	06/19/1990 Renewed 08/12/2020

Mark	Type	Class	Services	Reg. No.	Reg. Date
CRITERIUM	Standard Character Mark	35	Franchising services - namely, offering technical assistance in the establishment or operation of businesses offering engineering consulting services entailing building analysis, diagnostics, and inspections, maintenance, planning design, site investigations and litigation support services	1,628,576	12/18/1990 Renewed 11/06/2020
CRITERIUM Logo: CRITERIUM	Design Mark	42	Consulting engineering services, consulting in the field of litigation	1,603,100	06/19/1990 Renewed 08/12/2020
CRITERIUM ENGINEERS Logo:	Design Mark	42	Consulting engineering services in the field of litigation support and building evaluation and design	1,613,354	09/11/1990 Renewed 11/06/2020
Logo (Orange Triangle): 	Color Design Mark	42	Consulting engineering services, consulting in the field of litigation, building evaluation and design, building diagnostic inspections, analysis, maintenance planning and design	1,751,662	02/09/1993 Renewed 08/24/2023

Mark	Type	Class	Services	Reg. No.	Reg. Date
Logo (Triangle): 	Design Mark	42	Consulting engineering services, consulting in the field of litigation, building evaluation and design, building diagnostic inspections, analysis, maintenance planning and design	1,946,863	01/09/1996 Renewal Pending
COLOR DESIGN (ORANGE TRIANGLE) WITH CRITERIUM ENGINEERS TO THE RIGHT Logo:	Design Mark	35 37 42	Franchising services - namely, offering technical assistance in the establishment or operation of businesses offering engineering consulting services entailing building analysis, diagnostics, and inspections, maintenance, planning design, and site investigations. Consulting in the field of maintenance planning for buildings; Inspection in the Course of Construction. Engineering/Consulting Engineering; Consulting in the field of building design and property condition assessment.	6,410,026	07/06/2021

Mark	Type	Class	Services	Reg. No.	Reg. Date
FOR THE LIFE OF YOUR ASSOCIATION	Standard Character Mark	37 42	Consulting in the field of maintenance planning for buildings Consulting in the field of building design and property condition assessment	3,255,382	06/26/2007 Renewed 9/23/2016
WE KNOW BUILDINGS	Standard Character Mark	37 42	Consulting in the field of maintenance planning for buildings; Inspection in the Course of Construction. Engineering/Consulting Engineering; Consulting in the field of building design and property condition assessment.	6,409,546	07/02/2021

COAST TO COAST ENGINEERING SERVICES, INC. d/b/a CRITERIUM ENGINEERS has registered the following Mark in Canada:

Mark	Type	Services	Reg. No.	Reg. Date
CRITERIUM	Standard Character Mark	Preventive building maintenance planning services; building inspection and investigation services; consulting engineering services; consulting in the field of litigation	TMA524099	02/29/2000

COAST TO COAST ENGINEERING SERVICES, INC. d/b/a CRITERIUM ENGINEERS has registered the following Mark in Saudi Arabia:

Mark	Type	Class	Services	Reg. No.	Reg. Date
CRITERIUM	Standard Character Mark	37	Preventive building maintenance planning services; building inspection and investigation services; consulting engineering services; consulting in the field of litigation	1436024993	1437/03/18

Except for the above-mentioned registrations, there are no other currently effective registrations or pending applications with any federal or state governmental body seeking registration of any of the Marks. There are no agreements of any kind in effect which limit CRITERIUM ENGINEERS' right to use or sublicense the use of any of the Marks in any manner material to the franchise. CRITERIUM ENGINEERS has filed all required affidavits related to the above-referenced registrations and pending applications.

There are no presently effective determinations of the United States Patent and Trademark Office, the trademark trial and appeal board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceeding, and there is no pending material litigation involving the Marks that is relevant to their use in any state in which your franchised business is to be located. There are no infringing uses actually known to CRITERIUM ENGINEERS that could materially affect your use of the Marks in any state in which your franchised business is to be located. CRITERIUM ENGINEERS, however, makes no representation or warranty, express or implied, as to the validity or enforceability of the Marks.

There are no currently effective agreements that significantly limit CRITERIUM ENGINEERS' rights to use or license the use of the principal trademarks listed in this section in a manner material to your franchised business.

You must use the Marks in strict compliance with the rules we prescribe and only in connection with the conduct of the Franchised Consulting Engineering Business and in rendering Consulting Engineering Services. The Marks include the incorporation and use of the registration mark symbol, ®, as designated for each Mark. We prohibit you from using the Marks in connection with the sale of any unauthorized service, or in any manner not expressly authorized in writing by CRITERIUM ENGINEERS. You must give notices of trademark and service mark registrations as we specify and will obtain such fictitious or assumed name registrations required under applicable law.

You must give immediate written notice to CRITERIUM ENGINEERS of any improper use of the Marks or any other trade name or service mark used by any third party which is confusingly similar to the Marks which comes to your attention or of any infringement or claim, demand, challenge or suit contesting your use of the Marks. Upon receipt of written notification, we will undertake and control the prosecution, defense or settlement of any legal action in connection with such infringement or challenge. In connection with the above, you must assist us in carrying out prosecution or defense. You may not take any action in your own name. We are not obligated to indemnify you from liability to third parties, or other expenses or costs you may incur in connection with third party claims or otherwise, arising out of your use of the Marks.

If it becomes advisable at any time in the discretion of CRITERIUM ENGINEERS to require you to modify or discontinue using any of the Marks or to require that you use one or more additional or substitute names or Marks, you must immediately comply with all instructions by CRITERIUM ENGINEERS at your sole expense.

CRITERIUM ENGINEERS permits offices operating under the Predecessor Company's "Home Inspection Consultants" network to convert to the CRITERIUM® System.

14
PATENTS, COPYRIGHTS and PROPRIETARY INFORMATION

We do not own any rights in, or to any patents which are material to the franchised business. We do not have any pending patent applications that are material to the franchise.

On May 29, 1990, CRITERIUM ENGINEERS obtained a copyright registration for its INSPECTION CHECKSHEETS under registration No. Txu 427-094, date of creation 1989. CRITERIUM ENGINEERS intends to renew this copyright. We permit you to use these Field Notes in the manner described in our Confidential Operations Manual.

On August 20, 1990, CRITERIUM ENGINEERS obtained a copyright registration for its STANDARD PARAGRAPHS under registration No. Txu 425 823, date of creation 1989. CRITERIUM ENGINEERS intends to renew this copyright. We permit you to use these Standard Paragraphs in the manner described in our Confidential Operations Manual.

On January 21, 2005, CRITERIUM ENGINEERS obtained copyright registrations for its websites as follows: www.criterium-engineers.com under registration No. Txu001221531, date of creation 1999; Criterium Engineers Web site—residential (www.criteriumhomeinspection.com) under registration No. Txu001209149, date of creation 2004; and www.criterium-commercial.com under registration No. Txu001209150, date of creation 2004. CRITERIUM ENGINEERS intends to renew these copyrights. We permit you to use various attributes of these websites in a manner described in our Confidential Operations Manual.

Each copyright listed above has a term of 70 years from the date of creation unless extended by an applicable federal statute.

In addition to those copyrights registered with the U.S. Copyright Office listed at the beginning of this section, CRITERIUM ENGINEERS claims copyright protection for all printed material we produce and designate with the copyright symbol including brochures, manuals, software, and promotional materials.

There are no presently effective determinations of the United States Copyright Office, or any pending infringement, opposition or cancellation proceeding, and there is no pending material litigation involving the copyrights that is relevant to their use in any state in which your franchised business is to be located. There are no infringing uses actually known to CRITERIUM ENGINEERS that could materially affect your use of the copyrighted materials in this state. CRITERIUM ENGINEERS, however, makes no representation or warranty, express or implied, as to the validity or enforceability of the copyrights.

You must promptly notify us of any claim, demand or suit based upon or arising from, or of any attempt by any other person, firm or corporation, to use the copyrighted information in which we have a proprietary interest. You must also promptly notify us of any litigation instituted by you or by any person, firm, corporation or governmental agency against you. We may elect to defend or prosecute any such litigation, at our sole discretion. In the event we undertake the defense or prosecution of any litigation, you agree to execute any and all documents and do such acts and things as may, in the opinion of our counsel, be necessary to carry out such defense or prosecution, either in the name of us or in your name, as we shall elect.

If it becomes advisable at any time in the discretion of the CRITERIUM ENGINEERS to require you to modify or discontinue using any of the subject matter covered by any of the copyrights, you must immediately comply with all instructions by CRITERIUM ENGINEERS in that connection at your sole expense.

Confidential Information

Your entire knowledge of the CRITERIUM® System is derived from information we disclose to you. Much of this information is proprietary, confidential and a trade secret of CRITERIUM ENGINEERS. This information includes operating procedures, sales data, gross receipts information, customer lists, customer surveys, research results, and other data which we designate as confidential, unless you can demonstrate that the information came to your attention prior to disclosure by us or was part of the public domain through the lawful publication or communication by others.

You must maintain the absolute confidentiality of all confidential and proprietary information we designate during and after the term of the Franchise Agreement and shall not use this information in any other business or in any manner not specifically authorized or approved in writing by us.

You may divulge confidential information and trade secrets only to those of your employees who must have access to it in order to operate the Franchised Consulting Engineering Business. You and each officer, director and shareholder of the Franchisee and all of your employees who have access to such information and secrets shall execute a Confidentiality and Non-Competition Agreement (Exhibit "E" to the Franchise Agreement).

CRITERIUM ENGINEERS has no obligation under the Franchise Agreement or otherwise to protect any right that you have or may acquire to use a patent, patent application or copyright which we may own or ourselves are licensed to use.

15
OBLIGATIONS TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

You, or your principal partner, shareholder, or officer if you are a partnership or corporation, must be licensed as a "professional engineer" as previously disclosed in Item 1 of this Disclosure Document. This individual shall devote their full-time attention and best efforts to the operation of the Franchised Consulting Engineering Business, unless we grant prior written approval. That individual need not have any equity interest in the Franchised Consulting Engineering Business unless required by state engineering law.

You must notify us of the name of the individual designated to devote full-time and attention. This individual must satisfactorily complete our training program. This individual must sign our Confidentiality and Non-Competition Agreement, attached to the Franchise Agreement as Exhibit E, and keep our confidential or proprietary information confidential.

At all times, you must staff and manage the Franchised Consulting Engineering Business by a sufficient number of competent employees. Consulting Engineering Services must be provided by licensed professional engineers. You are responsible for oversight of all employees' comprehensive training. This may include their attendance and satisfactory completion of our training program.

You will have sole authority and control over the day-to-day operations of the Franchised Business and its employees. You will be solely responsible for recruiting and hiring the persons you employ to operate the Franchised Business. You will also be responsible for their training, wages, taxes, benefits, safety, work schedules, work conditions, assignments, discipline and termination and for compliance with all workplace related laws. At no time will you or your employees be deemed to be employees of CRITERIUM ENGINEERS or our affiliates. We have no right or obligation to direct your employees or to operate the Franchised Business.

If the Franchisee is a corporation, each officer and shareholder of the Franchisee must execute a personal guaranty of the note, agreeing to be personally jointly and severally liable for its repayment. In addition, each officer and shareholder of the Franchisee must sign a personal

guarantee obligating them to all of the conditions in the Franchise Agreement. The Guarantee and Assumption of Obligations is attached to the Franchise Agreement as Exhibit "B."

16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You shall offer and promote all of the Consulting Engineering Services, as the particular services which are included in this definition may be changed and modified by Criterium Engineers, and only these Consulting Engineering Services, unless you first obtain our written approval. You shall not use the franchised office for any purpose other than the operation of the Franchised Consulting Engineering Business, as modified by CRITERIUM ENGINEERS during the term of the Franchise Agreement, unless you first obtain our written approval. We reserve the right to change or modify the Consulting Engineering Services you are required to offer.

Except for the limitations outlined above, the restrictions regarding the Territory in Item 12 of this Disclosure Document, and restrictions which exist by virtue of state licensing requirements applicable to persons rendering engineering services, we do not otherwise limit you in the customers to whom you may offer Consulting Engineering Services.

17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISEE RELATIONSHIP

PROVISION	***SECTION IN FRANCHISE AGREEMENT***	***SUMMARY***
a. Length of the franchise term	Section 4.1	10 years.
b. Renewal	Section 4.2	You may renew the agreement by increments of 5 year terms.
c. Requirements for You to Renew.	Sections 4.2 and 4.3	To renew, you must not be in default of the Franchise Agreement; provide the required notice of intent to renew; sign a current Franchise Agreement; meet current qualifications and training requirements; and sign a general release. If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be required to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights.

PROVISION	*SECTION IN FRANCHISE AGREEMENT*	*SUMMARY*
d. Termination by You.	Section 16.1	If you are in compliance and we materially breach the Franchise Agreement and fail to cure or begin to cure within 30 days of receiving your written notice; or, you may terminate the Franchise Agreement at any time without cause provided, you are not in material default, and: a) if you pay a royalty of less than 4%, you pay a fee equal to 2 times the annualized royalty fee of the average of the last 6 month's gross receipts times 4% times 3 years. The franchisee may terminate the agreement on any grounds available by law; or, b) if you pay a royalty equal to, or more than, 4% or greater, you pay a fee equal to 3 times the annualized royalty fee of the average of the last 6 month's gross receipts or $10,000, whichever is greater. If you are not meeting the minimum quota, then your termination fee is three times the annualized royalty fee OR the annualized royalty fee based upon the minimum quota, whichever is greater. The franchisee may terminate the agreement on any grounds available by law.
e. Termination by Criterium Engineers Without Cause.	Not Applicable	Not Applicable.
f. Termination by Criterium Engineers With Cause.	Section 16.2	We may terminate the Franchise Agreement only if you default.
g. "Cause" defined - defaults which can be cured.	Section 16.2	Curable defaults: if you fail to make payments due us; or you fail to comply with mandatory specifications in the Franchise Agreement or Manual, you generally have 30 days to cure except for defaults included in (h) below.

PROVISION	*SECTION IN FRANCHISE AGREEMENT*	*SUMMARY*
h. "Cause" defined – non-curable defaults	Section 16.2	Non-curable defaults: failure to satisfactorily complete training; making a material misrepresentation or omission in the application for the franchise; indictment, charge, conviction or plea of no contest, to a felony or other crime or offense that can adversely affect the reputation of either party or the Franchised Business; Failure to adhere to the Code of Ethics of the National Society of Professional Engineers (NSPE); any unauthorized use of the Manual or Confidential Information; abandonment of the Franchised Business for 5 consecutive days; surrenders or transfers control of Franchised Business in an unauthorized manner; submission on 2 or more occasions of reports understating any amounts due by more than 5% for any accounting period during the term of the franchise and you are unable to satisfactorily demonstrate that understatements resulted from inadvertent error; you are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors; misuse or unauthorized use of the Marks; failure on 2 or more occasions within any 12 month period to submit reports or fees owed to us whether or not such failure to comply is corrected; within 10 days of receipt of non-compliance, failure to obtain or maintain permits, certificates or licenses necessary for the proper conduct of the Franchised Business; failure to attain minimum annual gross receipts.
i. Your obligations on termination/nonrenewal.	Section 17	Stop operations of the Franchised Business; stop using the Confidential Information, System and/or the Marks; assign any assumed names to us; pay all sums owed to us including damages and costs incurred in enforcing the termination provisions of the Franchise Agreement; return the Manual and any other material provided to you by us; assign your telephone listings, domain names and e-mail addresses to us as requested; turn over to us a complete list of your customers for two years prior to termination along with your customer record files; comply with the covenants not to compete and any other surviving provision, and cancel all assumed name or equivalent registrations relating to use of any Proprietary Mark.
j. Assignment of contract by CRITERIUM ENGINEERS.	Section 18.1	There are no restrictions on our right to assign or transfer.
k. "Transfer" by you - definition.	Section 18.2	Includes transfer of ownership in franchise, interest in franchisee entity or sale of assets.

PROVISION	*SECTION IN FRANCHISE AGREEMENT*	*SUMMARY*
l. CRITERIUM ENGINEERS' approval of transfer by franchisee.	Sections 18.2.	CRITERIUM ENGINEERS has the right to approve all transfers but will not unreasonably withhold approval.
m. Conditions of CRITERIUM ENGINEERS approval of transfer.	Sections 18.2. – 17.2.9& Exhibit F	Written consent of franchisor, transferee(s) or someone in responsible charge shall be a licensed professional engineer or architect in good standing within the Territory, all obligations owed to us and relating to the Franchised Business must be paid in full, execution of a general release, the transferee must meet our qualifications, sign the then-current Franchise Agreement, provide a copy of all documents relating to the proposed transfer, transfer fee paid, transferor agrees to guarantee full performance of transferee if required by us, and all necessary consents and approvals by third parties are obtained.
n. CRITERIUM ENGINEERS right of first refusal to acquire your business.	Section 19	We may match an offer for your Franchised Business or an ownership interest you propose to sell.
o. CRITERIUM ENGINEERS option to purchase your business.	Sections 17.5 and 19.2	We are not obligated to do so, but, if the franchise is terminated or expires, we may purchase any or all assets containing the Marks of the Franchised Business at the lesser of cost or fair market value. If franchisee proposes to sell the business or a portion thereof under Section 18.1, then we have the right to purchase the same for the price and on the same terms and conditions.
p. Your death or disability.	Section 18.4	Your heirs, beneficiaries, devisees, or legal representatives can apply to us to continue operation of the Franchised Business, or sell or otherwise transfer interest in the Franchised Business within 90 days of death or incapacity. If they fail to do so, the Franchise Agreement will terminate.
q. Non-competition covenants during the term of the franchise.	Section 6.3	During the term of the Franchise Agreement, you must not own or otherwise have any interest in any Competitive Business.
r. Non-competition covenants after the franchise is terminated or expires.	Section 17.2	You must not own or operate a Competitive Business for 2 years after the Franchise Agreement is terminated or expires within a 50-mile radius of the Territory of the Franchised Business or within ten (10) miles of the Territory of any other Criterium Engineers Franchised Business.
s. Modification of the agreement.	Section 21.5	The Franchise Agreement can be modified only by written agreement between you and us, except the Operations Manual, which is subject to change by will not materially alter your fundamental rights.

PROVISION	*SECTION IN FRANCHISE AGREEMENT*	*SUMMARY*
t. Integration/merger clause.	Section 21.5	Only the terms of the Franchise Agreement are binding (subject to state law.) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation.	Section 22.8	All disputes arising out of or relating to the Franchise Agreement must be mediated in Portland, Maine no later than ninety (90) days after commencement of any litigation or arbitration or litigation is commenced by either party to the Franchise Agreement.
v. Choice of forum.	Section 22.2	Litigation must be in the State of Maine, unless inconsistent with any specific state law having jurisdiction. (See State Addendum).
w. Choice of Law.	Section 22.1	Maine State law applies unless inconsistent with any specific state law having jurisdiction (See State Addendum), except that disputes regarding the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et. Seq.).

It should be noted that the provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law, 11 U.S.C. Section 101, et. Seq.

See the state addenda to the Franchise Agreement and disclosure document for special state disclosures.

18
PUBLIC FIGURES

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

19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

As of December 31, 2025, there were 34 franchise offices operating in our Affiliate network. This Item highlights certain historical financial data reported by these franchisees for the

calendar year ending December 31, 2025. The information provided below includes data for all territories operated by franchisees that had been operating at least one Affiliate office location for at least twelve months as of December 31, 2025.

The information provided was based on the franchisee's monthly report, due on the 10th of the month following. The size of the territories vary, and no attempt was made to segregate the data by any other variables.

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

A. Annual Revenue – All Franchise Offices

The consulting engineering service business in the territories served by franchisees ("Home Inspection Consultant" office "old system," and CRITERIUM® System franchisees "new system") operating in 2023, 2024 and 2025, in the United States and Canada, is illustrated in the following table.

Franchise Annual Office Revenue Bands (by Quartile)

	Low 25%			Mid 50%			High 25%		
	2023	*2024*	*2025*	*2023*	*2024*	*2025*	*2023*	*2024*	*2025*
Average	$86,510	$75,131	$80,320	$268,266	$278,207	$282,544	$773,689	$841,433	$873,473
Low	$10,050	$9,778	$16,735	$160,559	$136,272	$148,911	$412,985	$527,066	$507,010
High	$158,100	$112,126	$132,580	$406,465	$467,820	$465,305	$1,157,041	$1,207,917	$1,181,368
Median	$90,445	$90,977	$95,680	$236,227	$234,907	$258,607	$853,160	$864,306	$947,410
#offices	8	8	8	16	17	16	9	8	8
#above avg	4	5	5	7	7	7	3	5	5

"Quartile" refers to the relative reported total annual revenue ranking of the franchisee offices. Therefore, "Low 25%" refers to the set of offices reporting annual revenue lower than the 25th percentile of all office locations included in the full data set, "Mid 50%" refers to the offices reporting annual revenue higher than the 25th percentile and lower than the 75th percentile of the franchise count, and "Top 25%" refers to the set of offices the highest reporting annual revenue of all locations when measured by revenue for the year.

The 2023 data in this section represents 32 of our 33 franchise offices operating as of December 31, 2023. These 32 reporting businesses were open for at least 12 months as of December 31, 2023. Of the businesses not included in the 2023 data but operating in 2023, one new franchise office was opened in 2023 and had not been operating for one full year, and one closed midyear reporting only a partial year of revenue.

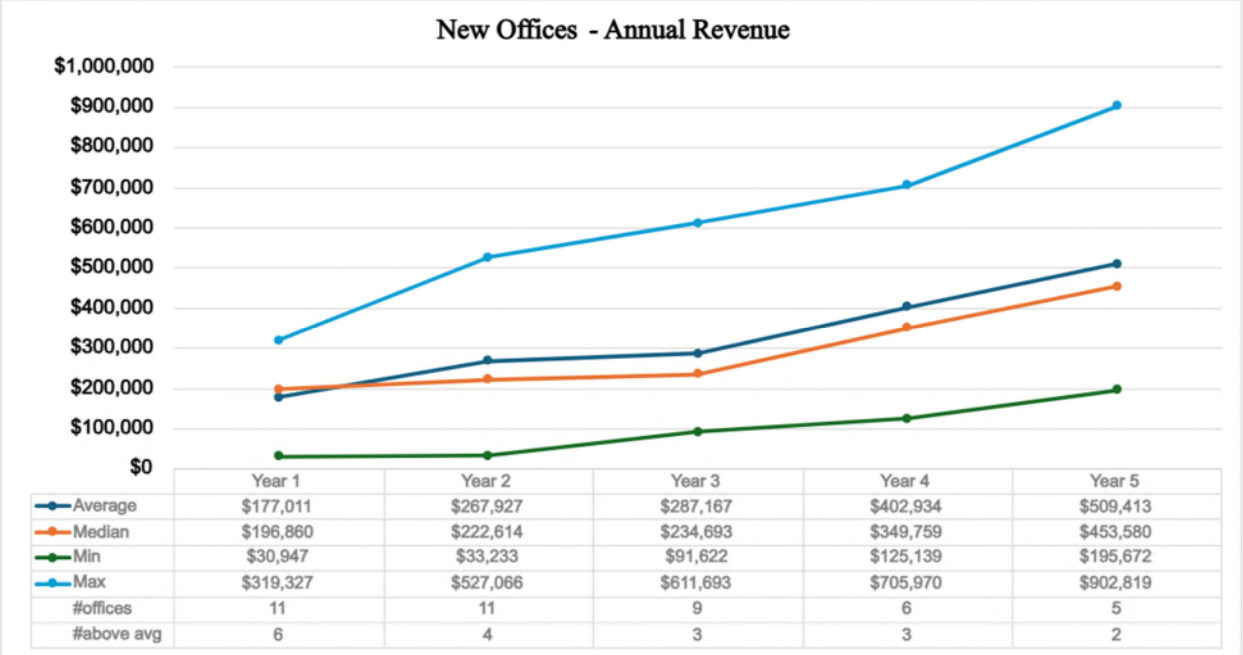
The 2025 data in this section represents 32 of our 32 franchise offices operating as of December 31, 2025. These 32 reporting businesses were open for at least 12 months as of

December 31, 2025. Of the businesses not included in the 2025 data but operating in 2025, one new franchise office was opened in 2025 and had not been operating for one full year.

Franchises that changed ownership mid-year without disruption in business are represented as a single revenue source for the year of transfer. New franchises that did not report 12 months of receipts in a given year are excluded from the incomplete year; only franchises reporting the full 12 months in a given year are included in this data set.

B. Annual Revenue – New Franchise Offices from The Last 10 Years

The consulting engineering service business in the territories served by franchisees (CRITERIUM® System franchisees "new system") who opened a new office in the last ten (10) years is illustrated in the following figure. This data set includes newly opened offices only and does not include transfer of ownership of existing offices.



	Year 1	Year 2	Year 3	Year 4	Year 5
Average	$177,011	$267,927	$287,167	$402,934	$509,413
Median	$196,860	$222,614	$234,693	$349,759	$453,580
Min	$30,947	$33,233	$91,622	$125,139	$195,672
Max	$319,327	$527,066	$611,693	$705,970	$902,819
#offices	11	11	9	6	5
#above avg	6	4	3	3	2

Franchises that did not report 12 months of receipts in a given year (typically due to opening mid-year) are excluded from the incomplete year; only franchises reporting the full 12 months in a given year are included. Franchises that have been open for less than the full range of table data are included only where there is complete data for the given 12-month segment. For example, the office that opened midyear in 2023 and first reported 12-months of revenue in 2024 is included in the Year 1 and Year 2 sets, but is not included in the Year 3, 4, or 5 sets.

C. Data and Analysis

1. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

2. "Annual Revenue" means all revenue and income received from the operation of the Franchisee Business, including all revenue received from Clients directly billed, and also includes all revenue received from a Client's insurance carrier, late fees, revenue generated over the billed amount, and any other amount charged to Clients, whether received in cash, in services in kind, from barter or exchange, on credit or otherwise.

Other than the preceding financial performance representation, CRITERIUM ENGINEERS 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, the franchise owner 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 Deborah Adams, 5 Depot Street, Suite 23, Freeport, ME 04032, 1-800-242-1969, (207) 828-1969, the Federal Trade Commission, and the appropriate state regulatory agencies.

20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary For
years 2023 to 2025

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2023	30	31	+1
	2024	31	31	0
	2025	31	29	-3
Company-Owned	2023	1	1	0
	2024	1	1	0
	2025	1	1	1
Total Outlets	2023	31	32	+1
	2024	32	32	0
	2025	32	29	-3

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2023 to 2025

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Minnesota	2023	0
	2024	1
	2025	0
Massachusetts	2023	0
	2024	0
	2025	1
Vermont	2023	0
	2024	0
	2025	1
Total	2023	0
	2024	1
	2025	2

Table No. 3
Status of Franchised Outlets For years 2023 to 2025

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina-tions	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Opera-tions-Other Reasons	Col. 9 Outlets at End of the Year
Alabama	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Arizona	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Colorado	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Delaware	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Florida	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Georgia	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Hawaii	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Indiana	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Maine	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Maryland	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Massachusetts	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Minnesota	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina-tions	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Opera-tions-Other Reasons	Col. 9 Outlets at End of the Year
Mississippi	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Missouri	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Nevada	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
New Hampshire	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
New Jersey	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
New Mexico	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Ohio	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	1	0	0	0	2
Pennsylvania	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Tennessee	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Texas	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
Utah	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Vermont	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Washington	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Termina-tions	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Opera-tions-Other Reasons	Col. 9 Outlets at End of the Year
West Virginia	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	1	0	0	0	0
TOTAL OF U.S. OUTLETS	2023	29	2	0	0	0	0	31
	2024	31	0	0	0	0	0	31
	2025	31	1	2	0	0	0	30
Ontario	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
TOTAL OF ALL OUTLETS	2023	30	2	0	0	0	1	31
	2024	31	0	0	0	0	0	31
	2025	31	1	2	0	0	0	30

Table No. 4
Status of Company-Owned Outlets For years 2023 to 2025

Col. L State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 20Outlets at End of the Year
Maine	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Totals	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1

Table No. 5
Projected Openings as of December 2025

States	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
Florida	0	1	0
New York	0	1	0
Virginia	0	1	0
Totals	0	3	0

A list of the names, addresses, and telephone numbers of all franchisees as of December 2025 is attached as Exhibit A.

Exhibit D to the Franchise Disclosure Document outlines the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, cancelled, not renewed, transferred, or otherwise voluntarily or involuntarily ceased to do business under their franchise agreement during the most recently completed fiscal year or who has not communicated with the franchisor within ten (10) weeks of the issuance date of this Disclosure Document (Franchisor's fiscal year end is December 31st of each year). If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have signed two (2) confidentiality clauses with current or former franchisees. Each confidentiality agreement was entered into as part of a settlement of a dispute between us and the current or former franchisee. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with CRITERIUM ENGINEERS. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are no known trademark-specific franchisee organizations associated with the franchise system being offered.

21
FINANCIAL STATEMENTS

Our fiscal year end is December 31. The following financial statements of CRITERIUM ENGINEERS are attached to this Disclosure Document as Exhibit "B":

A. Audited financial statements of CRITERIUM ENGINEERS for the fiscal year ending December 31, 2025 and December 31, 2024;

B. Audited financial statements of CRITERIUM ENGINEERS for the fiscal year ending December 31, 2024 and December 31, 2023;

22
CONTRACTS

Attached are the following Agreements to be executed by you where applicable:

Exhibit "C" - Franchise Agreement and Attachments A through H

Exhibit "E" - State Addenda

Exhibit "G" - Name Change Addendum

Exhibit "H" - Franchisee Disclosure Questionnaire

Except for the above documents, there are no other contracts or agreements proposed for use or in use in this State.

23
RECEIPT

Attached as the last 2 pages of this Disclosure Document as Exhibit K is the Acknowledgment of Receipt by you of this Franchise Disclosure Document. You must sign, date and deliver one copy of the Receipt Page to us for our records.

REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

EXHIBIT A

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS

LIST OF CRITERIUM ENGINEERS OFFICES AND
HOME INSPECTION CONSULTANTS' OFFICES

CRITERIUM ENGINEERS OPERATIONAL FRANCHISES
NEW SYSTEM

a. ALABAMA

Criterium - Sollie Engineers

(334) 821-4109

Glenn Sollie, P.E.

2216 South 8th Street, Opelika, AL 36801

b. ARIZONA

Criterium – Kessler Engineers

(334) 821-4109

Daniel Kessler

PO Box 7453, Goodyear, AZ 85338

c. COLORADO

Criterium – McCafferty Engineers

(719) 685-2285

Mark C. McCafferty, P.E.

2524 W. Colorado Avenue, Suite 207, Colorado Springs, CO 80904

Criterium – Cona Engineers

(720) 788-6680

John Cona, P.E.

6400 S. Fiddlers Green Circle, Suite 250, Greenwood Village, CO 80111

d.DELAWARE

Criterium – Jagiasi Engineers

(302) 498-5600

Anil R. Jagiasi, P.E.

1500-B Shallcross Avenue, Suite 2A, Wilmington, DE 19806

e.FLORIDA

Criterium – Cromer Engineers

(305) 250-2936

Casey Cromer, P.E.

1815 Purdy Avenue, Miami Beach, FL 33139

f.GEORGIA

Criterium – Proctor Engineers

(706) 833-0984

Phillip Proctor, P.E.

3532 Granite Way, Suite 205, Martinez, GA 30907

Criterium – Raby Engineers*

(770) 740-9720

Landon M. Raby, P.E.

11720 Amber Park Drive, Suite 160, Alpharetta, GA 30009

g.INDIANA

Criterium – Core Engineers

(312) 833-8538

Summer Megdadi

509 Ridge Rd., Unit 4, Munster IN 46321

h.MAINE

Criterium – Rand Engineers

(720) 455-4717

John Parker Rand

557 Smithfield Rd., Oakland, ME 04963

i.MARYLAND

Criterium – Harbor Engineers

(410) 363-4659

Craig D. Smith, P.E.

1997 Annapolis Exchange, Suite 300, Annapolis, MD 21401

j.MASSACHUSETTS

Criterium – Dudka Engineers

(508) 589-8020

Shin Nagpal

63 South Street, Suite 110, Hopkinton, MA 01748

k.MINNESOTA

Criterium – Twin Cities Engineers

(651) 779-7700

Antony Startup

200 Southdale Ctr, Edina MN 55435

l.MISSOURI

Criterium – Hardy Engineers

(314) 878-0806

Kyle Hardy, P.E.

700 Spirit of St. Louis Blvd., Unit A, Chesterfield, MO 63005

m.NEW HAMPSHIRE

Criterium – Bennett Engineers

(603) 610-2446

Aaron Bennett, P.E.

P.O. Box 1117, Portsmouth, NH 03802

n.NEW JERSEY

Criterium – Hanna Engineers

(732) 230-7473

Mina Hanna, P.E.

100 Matawan Road, Suite 325, Matawan, NJ 07747

o.NEW MEXICO

Criterium – Building Inspection Engineers

(505) 271-1341

Ed Flores, P.E.

4801 Lang Ave. NE, Suite 110, Albuquerque, NM 87109

p.NEVADA

Criterium – Kessler Engineers

(702) 294-3160

Daniel D. Kessler

6655 W. Sahara Ave., Suite 115, Las Vegas, NV 89146

q.OHIO

Criterium – Ackerman Engineers

(440) 236-5779

Robert T. Ackerman, P.E.

13500 Pearl Road, Suite 139-106, Strongsville, OH 44136

Criterium – Liszkay Engineers

(614) 418-7200

Adam Rich, P.E.

1075 N. Beecher Crossing, Unit D, Gahanna, OH 43230

r.PENNSYLVANIA

Criterium – Peters Engineers

(570) 752-4433

Dennis Peters, P.E.

2701 Columbia Boulevard, Bloomsburg, PA 17815

s.TENNESSEE

Criterium – Rommes Engineers

(423) 477-8771

Alan Rommes, P.E.

P.O. Box 8716, Gray, TN 37615-8716

t.TEXAS

Criterium – Yancy Engineers

**Serving Galveston and Greater Houston Territories*

(281) 491-1262

David Yancy, P.E.

800 Town & Country blvd., Suite 500, Houston, TX 77024

Criterium – Epcon Engineers

(915) 562-3357

Edward Flores, Jr., P.E.

2718 Wyoming Avenue, El Paso, TX 79903

Criterium – Dotson Engineers

(972) 562-1011

David Dotson, P.E.

1402 S. Custer, Suite 1004, McKinney, TX 75070

Criterium – Williams Engineers

(830) 708-5996

J. Dustin Williams, P.E.

P.O. Box 312039, New Braunfels, TX 78130

u.VERMONT

Criterium – Lalancette & Dudka Engineers

(802) 747-4535

Shin Nagpal

230 North Main Street, Suite 4, Rutland, VT 05701-2416

v.WASHINGTON

Criterium – Pfaff Engineers

(509) 467-8554

Ken Pfaff, P.E.

12128 North Division Street, #200, Spokane, WA 99218

Criterium – Pioli-Rowe Engineers

(425) 486-4000

Douglas A. Rowe

19125 North Creek Parkway, Suite 120, Bothell, WA 98011

29 AFFILIATES – NEW SYSTEM

*AREA DEVELOPER

Current as of 12/31/25

CRITERIUM ENGINEERS OPERATIONAL COMPANY OWNED OUTLETS

NEW SYSTEM

MAINE

Criterium Engineers

(207) 775-1969

David Leopold

5 Depot Street, Suite 23, Freeport, ME 04032

1 COMPANY-OWNED AFFILIATE

Current as of 12/31/25

EXISTING CRITERIUM ENGINEERS
& HOME INSPECTION CONSULTANTS OFFICES
OLD SYSTEM

ALABAMA

Criterium – Carlysle/Gibbs Engineers

(205) 744-5004

Scott Gibbs, P.E.

PO Box 8071, Birmingham, AL 35218

NEVADA

(775) 849-1411

Mark Henderson, P.E.

995 Forest Street, Reno, NV 89509

2 Affiliates – OLD SYSTEM

Current as of 12/31/25

EXHIBIT B

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS

FINANCIAL STATEMENTS

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A

AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2025

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INDEPENDENT AUDITORS' REPORT

The Stockholders
Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers

Opinion

We have audited the accompanying consolidated financial statements of Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliate which comprise the balance sheet as of December 31, 2025, and the related statements of income and retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliate as of December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliate 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 controls 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 Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliate's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the 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 Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliates' 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 Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliate'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.

Report on Summarized Comparative Information

We have previously audited Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliates' 2024 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report date February 28, 2025. In our opinion, the summarized comparative financial information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The Swanson Group LLC

Westbrook, Maine
March 11, 2026

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS AND AFFILIATE

Consolidated Balance Sheet
December 31, 2025
With Comparative Totals for 2024

ASSETS

	2025	2024
Assets:		
Current assets		
Cash and cash equivalents	**$ 887,632**	$ 651,148
Trade receivables, net of allowance for credit loss $47,000 at December 31, 2025 and 2024	**1,372,087**	1,455,340
Prepaid expenses and other current assets	**161,774**	206,274
Total current assets	**2,421,493**	2,312,762
Property and Equipment		
Computer equipment and network	**193,191**	186,650
Software and website	**1,072,139**	824,469
Furniture and fixtures	**26,554**	26,554
Leasehold improvements	**52,314**	52,314
Field equipment	**47,453**	44,767
Total property and equipment	**1,391,651**	1,134,754
Less - Accumulated depreciation	**654,279**	556,976
Net property and equipment	**737,372**	577,778
Other Assets		
Right-of-use asset, operating lease	**487,776**	487,776
Less accumulated amortization	**267,653**	196,522
Total right of use asset	**220,123**	291,254
Total Assets	**$ 3,378,988**	$ 3,181,794

See accompanying notes and independent auditors' report.

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS AND AFFILIATE

Consolidated Balance Sheet (Concluded)
December 31, 2025
With Comparative Totals for 2024

LIABILITIES AND STOCKHOLDERS' EQUITY

	2025	2024
Current Liabilities		
Current portion of long term debt	$ **75,465**	$ 72,873
Current portion of operating lease liability	**72,241**	71,130
Accounts Payable	**105,146**	133,134
Accrued Expenses	**272,839**	235,237
Deferred Revenues	**30,671**	9,961
Total current liabilities	**556,362**	522,335
Long term debt - excluding current portion	**111,352**	186,695
Operating lease liability, excluding current portion	**147,882**	220,124
Total liabilities	**815,596**	929,154
Commitments and contingencies (Notes 4,5,6 and 7)		
Stockholders' Equity		
Common stock, no par value, 1,000 shares authorized, issued and outstanding 1,000	**342,100**	342,100
Retained earnings	**2,221,292**	1,910,540
Total stockholders' equity	**2,563,392**	2,252,640
Total Liabilities and Stockholders' Equity	$ **3,378,988**	$ 3,181,794

See accompanying notes and independent auditors' report.

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS AND AFFILIATE

Statement of Income and Retained Earnings
Year Ended December 31, 2025
With Comparative Totals for 2024

	2025	2024
Franchise Revenues		
Franchise fees	$ **108,500**	$ 9,950
Franchise royalties and other fees	**799,187**	810,967
Adminstrative services and other	**47,419**	59,529
Total franchise revenues	**955,106**	880,446
Contract and project revenues	**7,576,468**	7,556,573
Total revenues	**8,531,574**	8,437,019
Cost of revenues	**(5,429,818)**	(5,487,879)
Gross Profit	**3,101,756**	2,949,140
General and Adminstrative Expenses		
Payroll, related taxes and fringe benefits	**1,654,903**	1,637,126
Conferences and training	**56,353**	36,619
Newsletters and postage	**5,548**	4,460
Lease expense, operating lease	**75,141**	71,599
Occupancy and telephone	**15,122**	19,520
Office expenses	**340,557**	360,817
Professional fees	**135,904**	156,212
Travel and marketing	**252,892**	212,313
Depreciation and amortization	**106,802**	113,663
Other expenses	**12,334**	13,169
Total general and adminstrative expenses	**2,655,556**	2,625,498
Operating income	**446,200**	323,642
Other income (expense)		
Interest income	**38,175**	45,024
Miscellaneous income	**7,375**	13,934
Interest expense	**(8,033)**	(13,130)
Bad debt expense	**(25,658)**	(34,785)
Loss on disposal of assets	**(1,057)**	(7,459)
Total other income (expense)	**10,802**	3,584
Net income	**457,002**	327,226
Retained earnings beginning of year	**1,910,540**	2,078,936
Distributions	**(146,250)**	(212,936)
Purchase of minority shares	**-**	(282,686)
Retained earnings, end of year	$ **2,221,292**	$ 1,910,540

See accompanying notes and independent auditors' report.

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS AND AFFILIATE

Statement of Cash Flows
Year ended December 31, 2025
With Comparative Totals for 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ **457,002**	$ 327,226
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation & amortization	**106,802**	113,663
Bad debt expense	**25,658**	34,785
Loss on disposal of fixed assets	**1,057**	7,459
Decrease (increase) in		
Accounts receivable	**57,595**	(242,789)
Prepaid expenses and other	**44,500**	44,679
Right-of-use asset	**71,131**	66,525
Increase (decrease) in		
Accounts payable	**(27,988)**	36,990
Accrued expenses	**37,602**	(5,246)
Deferred revenue	**20,710**	9,961
Lease liability, operating lease	**(71,131)**	(66,525)
Net cash provided by operating activities	**722,938**	326,728
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	**(267,453)**	(44,439)
Net cash used in investing activities	**(267,453)**	(44,439)
CASH FLOWS FROM FINANCING ACTIVITES:		
Principal payments on long-term debt	**(72,751)**	(70,190)
Distributions	**(146,250)**	(212,936)
Purchase of minority shares	**-**	(282,686)
Net cash used by financing activities	**(219,001)**	(565,812)
Net increase (decrease) in cash, cash equivalents	**236,484**	(283,523)
Cash at beginning of year	**651,148**	934,671
Cash at end of year	$ **887,632**	$ 651,148
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest expense	$ **8,033**	$ 13,130

See accompanying notes and independent auditors' report.

Notes to Financial Statements
December 31, 2025
With Comparative Totals for 2024

1. Nature of Business

Coast to Coast Engineering Services, Inc., d/b/a Criterium Engineers (the Company) franchises and services a nationwide system of individuals and entities that specialize in providing building-related engineering services including property condition inspections and reports, costs segregation studies, environmental site assessments and construction progress monitoring for real estate buyers, investors and lenders, and replacement reserve studies for condominium and homeowners' associations and management agents. The businesses are operated under the terms of franchise arrangements and the Criterium Engineers brand by independent third parties. Credit is extended without collateral. In 2021, the Company partnered with Criterium-NC, PLLC to conduct its business in North Carolina and other states as appropriate for compliance purposes. Criterium-NC, PLLC is owned by an employee of the Company and is included in these consolidated financial statements as a variable interest entity, as the Company maintains a 75% voting rights membership interest in the entity.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Coast to Coast Engineering Services, Inc., d/b/a Criterium Engineers (the Company), and its affiliate, a variable interest entity, Criterium-NC, PLLC. All material inter-company transactions have been eliminated.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expense. Actual results could differ from estimates.

Trade Receivables

Trade receivables are recorded at cost less an allowance for credit losses, which is the net amount expected to be collected.

The Company's policy, generally, is not to charge interest on customer accounts with balances that are past due more than 90 days.

Accounts are considered past due once the unpaid balance exceeds payment terms extended to the customer. When an account balance is past due and attempts have been made to collect the receivable, the amount is considered uncollectible and is written off against the allowance for credit losses.

2. Summary of Significant Accounting Policies (Concluded)

Property and Equipment

Fixed assets are stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets which range from three to ten years.

Income Taxes

The Company has elected to be taxed as an S corporation. Accordingly, earnings are reported on the stockholders' individual income tax returns and no income taxes are incurred by the Company. The Company files income tax returns in the United States federal and various state jurisdictions. Criterium-NC, PLLC is included in the individual tax return of its owner. The company pays distributions to reimburse the stockholders for estimated income taxes on their proportionate share of the company's taxable income.

Advertising

The Company expenses advertising costs as incurred. Advertising expense totaled $143,1698 and $135,253 in 2025 and 2024, respectively.

Cash

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Cash deposits in excess of federally insured deposit limits are $873,497 and $664,828 at December 31, 2025 and 2024, respectively. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant risk with respect to these accounts.

3. Revenue and Cost Recognition

Franchise Revenue and Cost Recognition

The Company recognizes revenue on franchise sales upon the initial execution of individual franchise agreements at which time all material services or conditions relating to the sale have been substantially performed. The Company also sells right of first refusal to certain territiories. The Company earns fees when a franchise terminates or is transferred and recognizes revenue in the month the event occurs. Royalties represent fees based on franchisee revenues and are recognized as earned as franchisees report the revenue as collected. Related costs are expensed in the period incurred.

3. Revenue and Cost Recognition (Concluded)

Contract Revenue and Cost Recognition

The contracts the Company generally operates under are for engineering services related to commercial and residential real estate. The Company recognizes revenue from short-term contracts upon completion. For long-term contracts, the Company recognizes revenue on a monthly basis by invoicing for costs and profit incurred during the month. Contract costs include all direct payroll, franchisee expenses billed to the Company, and all other direct expenses.

4. Trade Receivables & Credit Loss Expense

Accounts receivable consists of the following at December 31:

	2025	2024
Accounts receivable from:		
Franchise royalties and fees	$ 55,562	$ 73,915
Contracts and projects	1,363,525	1,418,425
	1,419,087	1,492,340
Less allowance for credit losses	47,000	47,000
	$ 1,372,087	$ 1,445,340

In 2025 two unrelated clients accounted for 36% of contract and project revenues and in 2024 two unrelated clients accounted for 32% of contract and project revenues. The outstanding accounts receivable balances of two unrelated clients approximated 20% of total contracts and projects accounts receivable at December 31, 2025. The outstanding accounts receivable balances of one unrelated client approximated 21% of total contracts and projects accounts receivable at December 31, 2024.

As of December 31, 2025, the allowance for credit losses had a balance of $47,000.

With respect to trade receivables, the Company's policy is to measure its allowance for credit losses based on evaluation of historical internal and external information and past experience of the receivable aging, adjusted for current economic conditions, and reasonable and supportable forecast about future events that affects the collectability of receivables. Specific factors considered in measuring the expected amount of trade receivables collected including the current customer-specific risk characteristics, current and forecasted future financial condition, credit rating of each customer relative to the Company's underwriting standards, the customer's past payment history and forecasted payment ability, and other factors such as changes in the economy due to interest, inflation and unemployment levels.

4. Trade Receivables & Credit Loss Expense (Continued)

In measuring expected credit losses for trade receivables, the Company considers the entire population of trade receivables to be a single pool because the assets have similar risk characteristics in terms of customer credit worthiness, customer industry and geographic location, and the impact of the current and forecasted direction of the economic and business environment on collectability of such receivables. In situations in which customers have risk characteristics that are outside those of the customer as a whole, those customers are evaluated for credit losses using criteria independent of the remainder of the trade receivable pool.

From time to time, there may be changes in current economic conditions, such as rates of interest, inflation, and unemployment, among others that may impact the overall economic outlook and change the forecast of the expected amount of receivables to be collected. In those situations, the Company factors in those changes into its computation of expected losses.

In 2025, there were no changes in the company's accounting policies or methodology in measuring credit losses related to its trade receivables.

Roll forward activity – allowance for credit losses:

A summary of the 2025 Roll forward activity in the Company's allowance for credit losses related to trade receivables follows:

Balance January 1, 2025,	$ 47,000
Current provision for credit losses	25,658
Write-offs charged against the allowance	(25,658)
Recoveries of amounts previously written off	-
Balance as of December 31, 2025	$ 47,000

5. Transactions with Related Parties

The Company rents office space from an employee under a renewable lease. Lease expense for this office space totaled $75,141 in 2025 and $71,599 in 2024. (See Note 7).

The Company administers a risk management pool on behalf of its franchisees. Administrative service fees charged to the pool during 2025 and 2024 were $41,824 and $36,217, respectively.

6. Borrowings

The Company has a $100,000 line of credit agreement with a bank. The line of credit is secured by all business assets of the company and is personally guaranteed by an officer of the Company. Interest is payable at prime, (6.75% at December 31, 2025), with a floor rate of 6%. The outstanding balance on the line of credit was $-0- at December 31, 2025 and 2024. The line of credit is available until December 2026.

Long-term debt consists of the following at December 31:

	2025	2024
Notes payable bank – with interest at 3.5%, payable in monthly payments of $6,732 due through May 2028, secured by all assets of the Company and a 35% guarantee of an officer.	$ 186,817	$ 259,568
Total long-term debt	186,817	259,568
Less current portion of long-term debt	75,465	72,873
Long-term debt, less current portion	$ 111,352	$ 186,695

Future maturities of long-term debt are as follows:

2026	$ 75,465
2027	78,149
2028	33,203
Total	$ 186,817

7. Operating Leases

Total rent expense for office spaces was $75,141 in 2025 and $71,599 in 2024. Included in total rent expense is a lease with an employee of the Company (Note 5). The lease includes three lease terms. The first two three-year terms was non-cancelable and ran from January 2019 through December 2024 at $5,693 and $5,967 per month through December 2021 and 2024, respectively. The third term of four years (at $6,261.75 per month) renewed automatically. The lease may be renewed at the option of the Company for two additional terms of five years each at the market rate at the time of renewal. On January 1, 2022 the Company adopted ASU Topic 842, *Leases,* and management determined that the lease qualifies as an operating lease. Under ASU 842, on the transition date of January 1, 2022, the Company recorded a right-of-use asset and a related lease liability equal to $487,776. As permitted by ASU 842 the Company elected to use a risk-free discount rate for the lease of 1.55% determined using a period comparable with the remaining lease term of seven years.

7. Operating Leases (Concluded)

The lease liability is amortized using the risk-free discount rate and the right-of-use asset is amortized in similar manner. Lease expense is comprised of the right-of-use asset amortization and the interest incurred on the lease liability.

Balance sheet information at December 31, 2025 related to this operating lease was as follows:

Operating lease right-of-use assets	$ 220,123
Current portion of operating lease liability	$ 72,241
Operating lease liability, excluding current portion	147,882
Total operating lease liability	$ 220,123
Weighted Average Remaining Lease Term	72 months
Weighted Average Discount Rate	1.55%

Maturities of lease liabilities from these leases are as follows:

2026	$ 75,141
2027	75,141
2028	75,141
Total lease payments	225,423
Less imputed interest	(5,300)
Total	$ 220,123

8. Employee Benefit Plan

The Company sponsors a defined contribution 401(k) plan covering substantially all employees. Matching contributions by the Company were $124,526 and $112,097 in 2025 and 2024, respectively. In 2025 the vesting schedule for 2024 and prior company contributions were reduced from 6 years to 3 years and the company matching contributions have been changed to 100% of the first 3% and 50% of the next 2%. Future matching contributions are immediately vested.

9. Stockholders' Equity

Purchase of minority shares

On March 29, 2024 the Company purchased 80.41 shares held by the two minority shareholders for $282,686. The shares were retired and charged against retained earnings.

9. Stockholders' Equity (Concluded)

Recapitalization

On April 30, 2024 the Company retired all of the issued and outstanding shares of common stock and reissued 1,000 shares of common stock to the 100% owner of the company. The reissued shares of common stock constitute the entirety of the company's authorized and issued common stock.

10. Subsequent Events

Subsequent events have been evaluated through March 11, 2026, which is the date the financial statements were available to be issued.

TSG
YOUR TRUSTED ACCOUNTANT

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INDEPENDENT AUDITORS' CONSENT

The Stockholders
Coast to Coast Engineering Services, Inc.
d/b/a Criterium Engineers

The Swanson Group, LLC consents to the use in the Franchise Disclosure Document issued by Coast to Coast Engineering Services, Inc., d/b/a Criterium Engineers ("Franchisor") on March 31, 2026, as it may be amended, of our report dated March 11, 2026, relating to the financial statements of Franchisor for the period ending December 31, 2025.

The Swanson Group LLC

Westbrook, Maine
March 31, 2026

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A

AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2024

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The Swanson Group LLC

INDEPENDENT AUDITORS' REPORT

The Stockholders
Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers

Opinion

We have audited the accompanying consolidated financial statements of Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliate which comprise the balance sheet as of December 31, 2024, and the related statements of income and retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliate as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliate 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 controls 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 Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliate's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

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The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the 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 Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliates' 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 Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliate'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.

Report on Summarized Comparative Information

We have previously audited Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliates' 2023 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report date February 18, 2024. In our opinion, the summarized comparative financial information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The Swanson Group LLC

Westbrook, Maine
February 28, 2025

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS AND AFFILIATE

Consolidated Balance Sheet
December 31, 2024
With Comparative Totals for 2023

ASSETS

	2024	2023
Assets:		
Current assets		
Cash and cash equivalents	**$ 651,148**	$ 934,671
Trade receivables, net of allowance for credit loss		
$47,000 at December 31, 2024 and 2023	**1,455,340**	1,247,336
Prepaid expenses an other current assets	**206,274**	250,953
Total current assets	**2,312,762**	2,432,960
Property and Equipment		
Computer equipment and network	**186,650**	224,719
Software and website	**824,469**	824,469
Furniture and fixtures	**26,554**	26,554
Leasehold improvements	**52,314**	52,314
Field equipment	**44,767**	18,674
Total property and equipment	**1,134,754**	1,146,730
Less - Accumulated depreciation	**556,976**	492,269
Net property and equipment	**577,778**	654,461
Other Assets		
Right-of-use asset, operating lease	**487,776**	487,776
Less accumulated amortization	**196,522**	129,997
Total right of use asset	**291,254**	357,779
Total Assets	**$ 3,181,794**	$ 3,445,200

See accompanying notes and independent auditors' report.

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS AND AFFILIATE

Consolidated Balance Sheet (Concluded)
December 31, 2024
With Comparative Totals for 2023

LIABILITIES AND STOCKHOLDERS' EQUITY

	2024	2023
Current Liabilities		
Current portion of long term debt	**72,873**	70,370
Current portion of operating lease liability	**71,130**	66,525
Accounts Payable	**133,134**	96,144
Accrued Expenses	**245,198**	240,483
Total current liabilities	**522,335**	473,522
Long term debt - excluding current portion	**186,695**	259,388
Operating lease liability, excluding current portion	**220,124**	291,254
Total liabilities	**929,154**	1,024,164
Commitments and contingencies (Notes 4,5,6 and 7)		
Stockholders' Equity		
Common stock, no par value, 1,000 shares authorized, issued and outstanding 1,000	**342,100**	342,100
Retained earnings	**1,910,540**	2,078,936
Total stockholders' equity	**2,252,640**	2,421,036
Total Liabilities and Stockholders' Equity	**$ 3,181,794**	$ 3,445,200

See accompanying notes and independent auditors' report.

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS AND AFFILIATE

Statement of Income and Retained Earnings
Year Ended December 31, 2024
With Comparative Totals for 2023

	2024	2023
Franchise Revenues		
Franchise fees	**$ 9,950**	$ 178,664
Franchise royalties and other fees	**810,967**	729,651
Adminstrative services and other	**59,529**	59,234
Total franchise revenues	**880,446**	967,549
Contract and project revenues	**7,556,573**	6,506,129
Total revenues	**8,437,019**	7,473,678
Cost of revenues	**(5,487,879)**	(4,634,151)
Gross Profit	**2,949,140**	2,839,527
General and Adminstrative Expenses		
Payroll, related taxes and fringe benefits	**1,637,126**	1,582,992
Conferences and training	**36,619**	2,207
Newsletters and postage	**4,460**	18,691
Lease expense, operating lease	**71,599**	71,599
Occupancy and telephone	**19,520**	22,344
Office expenses	**360,817**	254,556
Professional fees	**156,212**	115,099
Travel and marketing	**212,313**	201,788
Depreciation and amortization	**113,663**	118,929
Other expenses	**13,169**	12,018
Total general and adminstrative expenses	**2,625,498**	2,400,223
Operating income	**323,642**	439,304
Other income (expense)		
Interest income	**45,024**	44,500
Miscellaneous income	**13,934**	4,750
Interest expense	**(13,130)**	(13,008)
Bad debt expense	**(34,785)**	(3,328)
Loss on disposal of assets	**(7,459)**	(1,535)
Total other income (expense)	**3,584**	31,379
Net income	**327,226**	470,683
Retained earnings beginning of year	**2,078,936**	1,666,436
Distributions	**(212,936)**	(58,183)
Purchase of minority shares	**(282,686)**	-
Retained earnings, end of year	**$ 1,910,540**	$ 2,078,936

See accompanying notes and independent auditors' report.

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS AND AFFILIATE

Statement of Cash Flows
Year ended December 31, 2024
With Comparative Totals for 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ **327,226**	$ 470,683
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation & amortization	**113,663**	118,929
Bad debt expense	**34,785**	3,328
Loss on disposal of fixed assets	**7,459**	1,535
Decrease (increase) in		
Accounts receivable	**(242,789)**	(64,550)
Prepaid expenses and other	**44,679**	(72,464)
Right-of-use asset	**66,525**	65,505
Increase (decrease) in		
Accounts payable	**36,990**	60,978
Accrued expenses	**4,715**	34,736
Lease liability, operating lease	**(66,525)**	(65,505)
Net cash provided by operating activities	**326,728**	553,175
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	**(44,439)**	(29,694)
Net cash used in investing activities	**(44,439)**	(29,694)
CASH FLOWS FROM FINANCING ACTIVITES:		
Principal payments on long-term debt	**(70,190)**	(67,776)
Distributions	**(212,936)**	(58,183)
Purchase of minority shares	**(282,686)**	-
Net cash used by financing activities	**(565,812)**	(125,959)
Net increase (decrease) in cash, cash equivalents	**(283,523)**	397,522
Cash at beginning of year	**934,671**	537,149
Cash at end of year	$ **651,148**	$ 934,671
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest expense	$ **13,130**	$ 13,008

See accompanying notes and independent auditors' report.

Notes to Financial Statements
December 31, 2024
With Comparative Totals for 2023

1. Nature of Business

Coast to Coast Engineering Services, Inc., d/b/a Criterium Engineers (the Company) franchises and services a nationwide system of individuals and entities that specialize in providing building-related engineering services including property condition inspections and reports, costs segregation studies, environmental site assessments and construction progress monitoring for real estate buyers, investors and lenders, and replacement reserve studies for condominium and homeowners' associations and management agents. The businesses are operated under the terms of franchise arrangements and the Criterium Engineers brand by independent third parties. Credit is extended without collateral. In 2021, the Company partnered with Criterium-NC, PLLC to conduct its business in North Carolina and other states as appropriate for compliance purposes. Criterium-NC, PLLC is owned by an employee, who was a minority shareholder until March 29,2024, of the Company and is included in these consolidated financial statements as a variable interest entity, as the Company maintains a 75% voting rights membership interest in the entity.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Coast to Coast Engineering Services, Inc., d/b/a Criterium Engineers (the Company), and its affiliate, a variable interest entity, Criterium-NC, PLLC. All material inter-company transactions have been eliminated.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expense. Actual results could differ from estimates.

Adoption of New Accounting Standards

Credit Losses - On January 1, 2023 the Company adopted ASU 2016-13 *Financial Information – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,* which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, consisting of trade receivables. Under the CECL, the Company adjusts its trade receivables for credit losses using an allowance account. The net amount of receivables less its allowance account represents the amount expected to be collected. The CECL methodology requires that the allowance account be measured based on various information that includes historical data and information, current economic conditions, and reasonable and supportable forecasted information about future events.

2. Summary of Significant Accounting Policies (Continued)

Adoption of New Accounting Standards (Concluded)

The Company adopted the changes made by ASU 2016-13 using the modified retrospective method for its trade receivables, under which the allowance account was re-measured as of January 1, 2023 using the CECL model, with the cumulative effect of the change being recorded to retained earnings. As of January 1, 2023, no adjustments to retained earnings were required to adopt ASU 2016-13.

Trade Receivables

Trade receivables are recorded at cost less an allowance for credit losses, which is the net amount expected to be collected.

The Company's policy, generally, is not to charge interest on customer accounts with balances that are past due more than 90 days.

Accounts are considered past due once the unpaid balance exceeds payment terms extended to the customer. When an account balance is past due and attempts have been made to collect the receivable, the amount is considered uncollectible and is written off against the allowance for credit losses.

Fixed Assets

Fixed assets are stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets which range from three to ten years.

Income Taxes

The Company has elected to be taxed as an S corporation. Accordingly, earnings are reported on the stockholders' individual income tax returns and no income taxes are incurred by the Company. The Company files income tax returns in the United States federal and various state jurisdictions. Criterium-NC, PLLC is included in the individual tax return of its owner. The company pays distributions to reimburse the stockholders for estimated income taxes on their proportionate share of the company's taxable income.

Advertising

The Company expenses advertising costs as incurred. Advertising expense totaled $135,253 and $114,442 in 2024 and 2023, respectively.

2. Summary of Significant Accounting Policies (Concluded)

Cash

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Cash deposits in excess of federally insured deposit limits are $664,828 and $996,741 at December 31, 2024 and 2023, respectively. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant risk with respect to these accounts.

3. Revenue and Cost Recognition

Franchise Revenue and Cost Recognition

The Company recognizes revenue on franchise sales upon the initial execution of individual franchise agreements at which time all material services or conditions relating to the sale have been substantially performed. The Company also sells right of first refusal to certain territiories. The Company earns fees when a franchise terminates or is transferred and recognizes revenue in the month the event occurs. Royalties represent fees based on franchisee revenues and are recognized as earned as franchisees report the revenue as collected. Related costs are expensed in the period incurred.

Contract Revenue and Cost Recognition

The contracts the Company generally operates under are for engineering services related to commercial and residential real estate. The Company recognizes revenue from short-term contracts upon completion. For long-term contracts, the Company recognizes revenue on a monthly basis by invoicing for costs and profit incurred during the month. Contract costs include all direct payroll, franchisee expenses billed to the Company, and all other direct expenses.

4. Trade Receivables & Credit Loss Expense

Accounts receivable consist of the following at December 31:

	2024	2023
Accounts receivable from:		
Franchise royalties and fees	$ 73,915	$ 77,346
Contracts and projects	1,418,425	1,216,990
	1,492,340	1,294,336
Less allowance for credit losses	47,000	47,000
	$ 1,445,340	$ 1,247,336

4. Trade Receivables & Credit Loss Expense (Continued)

In 2024 two unrelated clients accounted for 32% of contract and project revenues and in 2023 two unrelated clients accounted for 32% of contract and project revenues. The outstanding accounts receivable balances of one unrelated client approximated 21% of total contracts and projects accounts receivable at December 31, 2024. The outstanding accounts receivable balances of two unrelated client approximated 12% of total contracts and projects accounts receivable at December 31, 2023.

As of December 31, 2024, the allowance for credit losses had a balance of $47,000.

With respect to trade receivables, the Company's policy is to measure its allowance for credit losses based on evaluation of historical internal and external information and past experience of the receivable aging, adjusted for current economic conditions, and reasonable and supportable forecast about future events that affects the collectability of receivable. Specific factors in considered in measuring the expected amount of trade receivables collected including the current customer-specific risk characteristics, current and forecasted future financial condition, credit rating of each customer relative to the Company's underwriting standards, the customer's past payment history and forecasted payment ability, and other factors such as changes in the economy due to interest, inflation and unemployment levels.

In measuring expected credit losses for trade receivables, the Company considers the entire population of trade receivables to be a single pool because the assets have similar risk characteristics in terms of customer credit worthiness, customer industry and geographic location, and the impact of the current and forecasted direction of the economic and business environment on collectability of such receivables. In situations in which customers have risk characteristics that are outside those of the customer as a whole, those customers are evaluated for credit losses using criteria independent of the remainder of the trade receivable pool.

From time to time, there may be changes in current economic conditions, such as rates of interest, inflation, and unemployment, among others that may impact the overall economic outlook and change the forecast of the expected amount of receivables to be collected. In those situations, the Company factors in those changes into its computation of expected losses.

In 2024, there were no changes in the company's accounting policies, methodology, in measuring credit losses related to its trade receivables.

Roll forward activity – allowance for credit losses:

A summary of the 2024 Roll forward activity in the Company's allowance for credit losses related to trade receivables follows:

4. Trade Receivables & Credit Loss Expense (Concluded)

Balance January 1, 2024	$ 47,000
Current provision for credit losses	34,785
Write-offs charged against the allowance	(34,785)
Recoveries of amounts previously written off	-
Balance as of December 31, 2024	$ 47,000

In 2023, the Company retained attorneys to pursue collection of an accounts receivable of $34,000 owed by a property management company and its client, a property association located in Belmont, Massachusetts. Because the relevant contracts contained a mandatory arbitration provision, the Company and the defendants proceeded to arbitration after the Housing Court denied a Motion to Leave to Assert a Third-Party Complaint against the Company by the defendants. The Arbitrator found entirely for the Company and awarded it its full fee, plus the costs of collection including, but not limited to, attorneys' and expert fees. The Company was awarded $123,912 plus interest. In January 2024, the Homeowners Association and the related parties filed in the Housing Court and Superior Court challenging the Arbitrator's award decision. Subsequently in 2024 the matter was resolved by a settlement agreement whereby the Company was paid $100,000.

5. Transactions with Related Parties

The Company rents office space from a minority stockholder (until March 29, 2024) and current employee under a renewable lease. Lease expense for this office space totaled $71,599 in 2024 and $75,779 in 2023. (See Note 7).

The Company administers a risk management pool on behalf of its franchisees. Administrative service fees charged to the pool during 2024 and 2023 were $36,217 and $35,514, respectively.

6. Borrowings

The Company has a $100,000 line of credit agreement with a bank. The line of credit is secured by all business assets of the company and is personally guaranteed by an officer of the Company. Interest is payable at prime, (8.5% at December 31, 2024), with a floor rate of 6%. The outstanding balance on the line of credit was $-0- at December 31, 2024 and 2023. The line of credit is available until December 2025.

6. Borrowings (Continued)

Long-term debt consists of the following at December 31:

	2024	2023
Notes payable bank – with interest at 3.5%, payable in monthly payments of $6,732 due through May 2028, secured by all assets of the Company and a 35% guarantee of an officer.	$ 259,568	$ 329,758
Total long-term debt	259,568	329,758
Less current portion of long-term debt	72,873	70,370
Long-term debt, less current portion	$ 186,695	$ 259,388

Future maturities of long-term debt are as follows:

2025	$ 72,873
2026	75,465
2027	78,149
2028	33,081
Total	$ 259,568

7. Operating Leases

Total rent expense for office spaces was $71,599 in 2024 and 2023. Included in total rent expense is a lease with an officer of the Company (Note 5). The lease includes three lease terms. The first three-year term was non-cancelable and ran from January 2019 through December 2021 at $5,692.50 per month. The second term of three years (at $5,966.58 per month) and the third term of four years (at $6,261.75 per month) renew automatically unless the Company provides written notice to terminate at least 120 days prior to the renewal date. The lease may be renewed at the option of the Company for two additional terms of five years each at the market rate at the time of renewal. On January 1, 2022 the Company adopted ASU Topic 842, *Leases,* and management determined that the lease qualifies as an operating lease. Under ASU 842, on the transition date of January 1, 2022, the Company recorded a right-of-use asset and a related lease liability equal to $487,776. As permitted by ASU 842 the Company elected to use a risk-free discount rate for the lease of 1.55% determined using a period comparable with the remaining lease term of seven years. The lease liability is amortized using the risk-free discount rate and the right-of-use asset is amortized in similar manner. Lease expense is comprised of the right-of-use asset amortization and the interest incurred on the lease liability.

7. Operating Leases (Concluded)

Balance sheet information at December 31, 2024 related to this operating lease was as follows:

Operating lease right-of-use assets	$ 291,254
Current portion of operating lease liability	$ 71,130
Operating lease liability, excluding current portion	220,124
Total operating lease liability	$ 291,254
Weighted Average Remaining Lease Term	72 months
Weighted Average Discount Rate	1.55%

Maturities of lease liabilities from these leases are as follows:

2025	$ 75,141
2026	75,141
2027	75,141
2028	75,141
Total lease payments	300,564
Less imputed interest	(9,310)
Total	$ 291,254

8. Employee Benefit Plan

The Company sponsors a defined contribution 401(k) plan covering substantially all employees. Matching contributions by the Company were $112,097 and $96,642 in 2024 and 2023, respectively. In 2025 the vesting schedule for 2024 and prior company contributions has been reduced from 6 years to 3 years and the company matching contributions has been changed to 100% of the first 3% and 50% of the next 2%. Future matching contributions are immediately vested.

9. Stockholders' Equity

Purchase of minority shares

On March 29, 2024 the Company purchased 8041 shares held by the two minority shareholders for $282,686. The shares were retired and charged against retained earnings.

9. Stockholders' Equity (Concluded)

Recapitalization

On April 30, 2024 the Company retired all of the issued and outstanding shares of common stock and reissued 1,000 shares of common stock to the 100% owner of the company. The reissued shares of common stock constitute the entirety of the company's authorized and issued common stock.

10. Subsequent Events

Subsequent events have been evaluated through February 28, 2025, which is the date the financial statements were available to be issued.

11. Reclassifications

Certain 2023 amounts have been reclassified to conform to the 2024 financial statement presentation.

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A

AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2023

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The Swanson Group LLC

INDEPENDENT AUDITORS' REPORT

The Stockholders
Coast to Coast Engineering Services, Inc.
d/b/a Criterium Engineers

Opinion

We have audited the accompanying consolidated financial statements of Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliate which comprise the balance sheet as of December 31, 2023, and the related statements of income and retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliate as of December 31, 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliate 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 controls 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 Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliate's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's report that

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the 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 Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliates' 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 Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliate'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.

Report on Summarized Comparative Information

We have previously audited Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers and Affiliates' 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated February 24, 2023. In our opinion, the summarized comparative financial information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The Swanson Group LLC

Westbrook, Maine
February 18, 2024

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS AND AFFILIATE

Consolidated Balance Sheet

December 31, 2023
With Comparative Totals for 2022

ASSETS

	2023	2022
Current assets		
Cash	$ 934,671	$ 537,149
Accounts receivable, net allowance credit of $47,000 at December 31, 2023 and 2022	1,247,336	1,248,036
Prepaid expenses and other current assets	250,953	116,568
Total current assets	2,432,960	1,901,753
Fixed assets, at cost		
Computer equipment and network	224,719	214,444
Software and website	824,469	833,464
Furniture and fixtures	26,554	26,554
Leasehold improvements	52,314	52,314
Field Equipment	18,674	-
	1,146,730	1,126,776
Less accumulated depreciation and amortization	492,269	381,545
Net fixed assets	654,461	745,231
Other assets		
Right-of use asset, operating lease	487,776	487,776
Less accumulated amortization	129,997	64,495
Total other assets	357,779	423,281
	$ 3,445,200	$ 3,070,265

The accompanying notes are an integral part of these financial statements.

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS AND AFFILIATE

Consolidated Balance Sheet (Concluded)

December 31, 2023
With Comparative Totals for 2022

LIABILITIES AND STOCKHOLDERS' EQUITY

	2023	2022
Current liabilities		
Current portion of long-term debt	**$ 70,370**	$ 67,953
Current portion of operating lease liability	**66,525**	65,502
Accounts payable	**96,144**	35,166
Accrued expenses	**240,483**	205,748
Total current liabilities	**473,522**	374,369
Long-term debt, excluding current portion	**259,388**	329,581
Operating lease liability, excluding current portion	**291,254**	357,779
Total liabilities	**1,024,164**	1,061,729
Commitments and contingencies (Notes 4, 5, 6 and 7)		
Stockholders' equity		
Common stock, no par value, authorized 10,000 shares, issued and outstanding 402.04 shares	**342,100**	342,100
Retained earnings	**2,078,936**	1,666,436
Total stockholders' equity	**2,421,036**	2,008,536
	$ 3,445,200	$ 3,070,265

The accompanying notes are an integral part of these financial statements.

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS AND AFFILIATE

Statement of Income and Retained Earnings

Year Ended December 31, 2023
With Comparative Totals for 2022

	2023	2022
Franchise revenues		
Franchise fees	$ 178,664	$ 54,500
Franchise royalties and other fees	729,651	738,465
Administrative services and other	59,234	55,494
Total franchise revenues	967,549	848,459
Contract and project revenues	6,506,129	5,955,666
Cost of contract and project revenues	(4,634,151)	(4,678,782)
Net contract and project revenues	1,871,978	1,276,884
Gross profit	2,839,527	2,125,343
General and administrative expenses		
Payroll, related taxes and fringe benefits	1,582,992	1,373,178
Franchisee conferences and training	2,207	864
Newsletters and postage	18,691	10,861
Lease expense, operating lease	71,599	71,599
Occupancy and telephone	22,344	21,434
Office expenses	254,556	223,784
Professional fees	115,099	146,431
Travel and marketing	201,788	175,299
Depreciation and amortization	118,929	114,332
Other expenses	12,018	23,573
Total general and administrative expenses	2,400,223	2,161,355
Operating income (loss)	439,304	(36,012)
Other income (expense)		
Interest expense	(13,008)	(15,467)
Interest income	44,500	16,275
Bad debt expense	(3,328)	(46,268)
Gain on disposal of assets	(1,535)	-
Miscellaneous income	4,750	5,135
Other income (expense), net	31,379	(40,325)
Net income (loss)	470,683	(76,337)
Retained earnings, beginning of year	1,666,436	1,750,363
Distributions	(58,183)	(7,590)
Retained earnings, end of year	$ 2,078,936	$ 1,666,436

The accompanying notes are an integral part of these financial statements.

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS AND AFFILIATE
Statement of Cash Flows

Year Ended December 31, 2023
With Comparative Totals for 2022

	2023	2022
Cash flows from operating activities		
Net income (loss)	$ 470,683	$ (76,337)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	118,929	114,332
Bad debt expense	3,328	46,268
Loss on disposal of assets	1,535	-
Decrease (increase) in		
Accounts receivable	(64,550)	(40,864)
Prepaid expenses and other	(72,464)	(23,724)
Right-of-use asset	65,505	(418,094)
Increase (decrease) in		
Accounts payable	60,978	(78,508)
Accrued expenses	34,736	(13,182)
Lease liability, operating lease	(65,503)	423,281
Net cash provided (used) by operating activities	553,175	(66,828)
Cash flows from investing activities		
Purchase of fixed assets	(29,694)	(104,097)
Net cash used by investing activities	(29,694)	(104,097)
Cash flows from financing activities		
Principal payments on long-term debt	(67,776)	(71,350)
Distributions	(58,183)	(7,590)
Net cash (used) provided by financing activities	(125,959)	(78,940)
Net increase (decrease) in cash	397,522	(249,865)
Cash, beginning of year	537,149	787,014
Cash, end of year	$ 934,671	$ 537,149
Supplemental disclosure of cash flow information:		
Cash paid for interest during the year	$ 13,008	$ 15,467

The accompanying notes are an integral part of these financial statements.

1. Nature of Business

Coast to Coast Engineering Services, Inc., d/b/a Criterium Engineers (the Company) franchises and services a nationwide system of individuals and entities that specialize in providing building-related engineering services including property condition inspections and reports, costs segregation studies, environmental site assessments and construction progress monitoring for real estate buyers, investors and lenders, and replacement reserve studies for condominium and homeowners' associations and management agents. The businesses are operated under the terms of franchise arrangements and the Criterium Engineers brand by independent third parties. Credit is extended without collateral. In 2021 the Company partnered with Criterium-NC, PLLC to conduct its business in North Carolina and other states as appropriate for compliance purposes. Criterium-NC, PLLC is owned by a minority shareholder of the Company and is included in these consolidated financial statements as a variable interest entity, as the Company maintains a 75% voting rights membership interest in the entity.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Coast to Coast Engineering Services, Inc., d/b/a Criterium Engineers (the Company), and its affiliate, a variable interest entity, Criterium-NC, PLLC. All material inter-company transactions have been eliminated.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expense. Actual results could differ from estimates.

Adoption of New Accounting Standards

Credit Losses - On January 1, 2023 the Company adopted ASU 2016-13 *Financial Information – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,* which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, consisting of trade receivables. Under the CECL, the Company adjusts its trade receivables for credit losses using an allowance account. The net amount of receivables less its allowance account represents the amount expected to be collected. The CECL methodology requires that the allowance account be measured based on various information that includes historical data and information, current economic conditions, and reasonable and supportable forecasted information about future events.

2. Summary of Significant Accounting Policies (Continued)

Adoption of New Accounting Standards Continued)

The Company adopted the changes made by ASU 2016-13 using the modified retrospective method for its trade receivables, under which the allowance account was re-measured as of January 1, 2023 using the CECL model, with the cumulative effect of the change being recorded to retained earnings. As of January 1, 2023, no adjustments to retained earnings were required to adopt ASU 2016-13.

Leases - Effective January 1, 2022, the Company adopted Accounting Standards Update (ASU) 2016-02, *Leases* (ASC Topic 842) and subsequent amendments. ASC 842 affects all companies that enter into lease arrangements, with certain exclusions under limited scope limitations. Under 2016-02, an entity recognizes right-of-use assets and lease obligations on its balance sheet for all leases with a lease term of more than 12 months. Short term rentals under year-to-year leases or remaining lease terms of 12 months or less are exempt from being capitalized.

In adopting the new lease standard, the Company elected to use a *transition method* under which existing leases were measured and capitalized as of the date of adoption, January 1, 2022 in lieu of applying the standard retrospectively to January 1, 2021. Consequently, the 2021 financial statements and disclosures do not reflect the effects of implementing the new lease standard.

Additionally, as part of the implementation, the company elected to use a *package of optional practical expedients,* which permit the Company to avoid reassessing previous lease identifications within contracts, the existence of initial direct costs, and the lease classification of any expired and existing leases. Moreover, in accordance with the expedients, all leases classified as operating leases under previous U.S. GAAP are automatically classified as operating leases under the new standard, and all leases previously classified as capital leases are recorded as finance leases.

Leases recognized under the new standard include leases that were not capitalized under previous U.S. Generally Accepted Accounting principles (U.S. GAAP), as well as certain other leases that were capitalized based on different GAAP criteria.

On January 1, 2022, the company recorded on its January 1, 2022 balance sheet a right-of-use asset and lease obligation for operating leases in the amount of $487,776.

The new lease standard requires that leases with a lease term of more than 12 months be classified as either finance or operating leases. Leases are classified as finance leases when the Company expects to consume a major part of the economic benefits of the leased assets over the remaining lease term. Conversely, the company is not expected to consume a major part of the economic benefits of assets classified as operating leases.

2. **Summary of Significant Accounting Policies (Continued)**

Adoption of New Accounting Standards (Concluded)

The lease classification affects both the pattern and presentation of expense recognized in the income statement, the categorization of assets and liabilities in the balance sheet, and classification of cash flows in the statement of cash flows.

The company has made a policy election *not to capitalize certain short-term leases* with a lease term of 12 months or less.

For finance leases, total lease cost is recorded on an accelerated basis and consists of two components; amortization expense related to the write-off of right-to-use assets, and interest expense and lease obligations. Interest expense is recorded using the effective interest method and right-of-use assets are amortized on a straight-line basis over the lease term.

Lease obligations are measured and recorded at the present value of future lease payments using a discount rate.

Election for a non-public entity to use a risk-free rate as its discount rate:

The Company has made an accounting policy election to use a risk-free rate as the discount rate in measuring its lease obligations. Under this election, the risk-free rate used is the rate for a United States Treasury instrument with a term consistent with the remaining lease term for an applicable lease. This election is made for all equipment and real estate leases.

Election not to separate lease and non-lease components of a lease:

The Company has elected to apply a practical expedient under which it does not separate lease and non-lease components for its real estate leases. Under the election, the company combines base rents with fixed, non-lease common area maintenance charges and computes its lease obligations based on the combined lease and non-lease components.

Trade Receivables

Trade receivables are recorded at cost less an allowance for credit losses, which is the net amount expected to be collected.

The Company's policy, generally, is not to charge interest on customer accounts with balances that are past due more than 90 days.

2. Summary of Significant Accounting Policies (Concluded)

Trade Receivables Concluded)

Accounts are considered past due once the unpaid balance exceeds payment terms extended to the customer. When an account balance is past due and attempts have been made to collect the receivable, the amount is considered uncollectible and is written off against the allowance of uncollectible accounts.

Fixed Assets

Fixed assets are stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets which range from three to ten years.

Income Taxes

The Company has elected to be taxed as an S corporation. Accordingly, earnings are reported on the stockholders' individual income tax returns and no income taxes are incurred by the Company. The Company files income tax returns in the United States federal and various state jurisdictions. Criterium-NC, PLLC is included in the individual tax return of its owner.

Advertising

The Company expenses advertising costs as incurred. Advertising expense totaled $114,442 and $102,911 in 2023 and 2022, respectively.

Cash

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Cash deposits in excess of federally insured deposit limits are $996,741 and $612,115 at December 31, 2023 and 2022, respectively. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant risk with respect to these accounts.

3. Revenue and Cost Recognition

Franchise Revenue and Cost Recognition

The Company recognizes revenue on franchise sales upon the initial execution of individual franchise agreements at which time all material services or conditions relating to the sale have been

3. Revenue and Cost Recognition (Concluded)

Franchise Revenue and Cost Recognition (Concluded)

substantially performed. The Company earns fees when a franchise terminates or is transferred and recognizes revenue in the month the event occurs. Royalties represent fees based on franchisee revenues and are recognized as earned as franchisees report the revenue as collected. Related costs are expensed in the period incurred.

Contract Revenue and Cost Recognition

The contracts the Company generally operates under are for engineering services related to commercial and residential real estate. The Company recognizes revenue from short-term contracts upon completion. For long-term contracts, the Company recognizes revenue on a monthly basis by invoicing for costs and profit incurred during the month. Contract costs include all direct payroll, franchisee expenses billed to the Company, and all other direct expenses.

4. Trade Receivables & Credit Loss Expense

Accounts receivable consist of the following at December 31:

	2023	2022
Accounts receivable from:		
Franchise royalties and fees	$ 77,346	$ 116,153
Contracts and projects	1,216,990	1,178,883
	1,294,336	1,295,036
Less allowance for credit losses	47,000	47,000
	$ 1,247,336	$ 1,248,036

In 2023 two unrelated clients accounted for 32% of contract and project revenues and in 2022 two unrelated clients accounted for 30% of contract and project revenues. The outstanding accounts receivable balances of one unrelated client approximated 12% of total contracts and projects accounts receivable at December 31, 2023. The outstanding accounts receivable balances of two unrelated client approximated 22% of total contracts and projects accounts receivable at December 31, 2022.

As of December 31, 2023, the allowance for credit losses had a balance of $47,000.

With respect to trade receivables, the Company's policy is to measure its allowance for credit losses based on evaluation of historical internal and external information and past experience of the receivable aging, adjusted for current economic conditions, and reasonable and supportable forecast about future events that affects the collectability of receivables. Specific factors considered in

4. Trade Receivables & Credit Loss Expense (Continued)

measuring the expected amount of trade receivables collected including the current customer-specific risk characteristics, current and forecasted future financial condition, credit rating of each customer relative to the Company's underwriting standards, the customer's past payment history and forecasted payment ability, and other factors such as changes in the economy due to interest, inflation and unemployment levels.

In measuring expected credit losses for trade receivables, the Company considers the entire population of trade receivables to be a single pool because the assets have similar risk characteristics in terms of customer credit worthiness, customer industry and geographic location, and the impact of the current and forecasted direction of the economic and business environment on collectability of such receivables. In situations in which customers have risk characteristics that are outside those of the customer as a whole, those customers are evaluated for credit losses using criteria independent of the remainder of the trade receivable pool.

From time to time, there may be changes in current economic conditions, such as rates of interest, inflation, and unemployment, among others that may impact the overall economic outlook and change the forecast of the expected amount of receivables to be collected. In those situations, the Company factors in those changes into its computation of expected losses.

In 2023, there were no changes in the company's accounting policies, methodology, in measuring credit losses related to its trade receivables.

Roll forward activity – allowance for credit losses:

A summary of the 2023 Roll forward activity in the Company's allowance for credit losses related to trade receivables follows:

Balance January 1, 2023	$47,000
Current provision for credit losses	3,328
Write-offs charged against the allowance	(3,328)
Recoveries of amounts previously written off	-
Balance as of December 31, 2023	$47,000

In 2023, the Company retained attorneys to pursue collection of an accounts receivable of $34,000 owed by a property management company and its client, a property association located in Belmont, Massachusetts. Because the relevant contracts contained a mandatory arbitration provision, the

4. Trade Receivables & Credit Loss Expense (Concluded)

Company and the defendants proceeded to arbitration after the Housing Court denied a Motion to Leave to Assert a Third-Party Complaint against the Company by the defendants. The Arbitrator found entirely for the Company and awarded it its full fee, plus the costs of collection including, but not limited to, attorneys' and expert fees. The Company was awarded $123,912 plus interest. In January 2024, the Homeowners Association and related parties filed in the Housing Court and Superior Court challenging the Arbitrator's award decision. The Company's attorneys believe the Arbitration award will be confirmed.

5. Transactions with Related Parties

The Company rents office space from a minority stockholder under a renewable lease. Lease expense for this office space totaled $75,779 in 2023 and $76,786 in 2022. (See Note 7)

The Company administers a risk management pool on behalf of its franchisees. Administrative service fees charged to the pool during 2023 and 2022 were $35,514 and $32,048, respectively.

6. Borrowings

The Company has a $100,000 line of credit agreement with a bank. The line of credit is secured by all business assets of the company and is personally guaranteed by an officer of the Company. Interest is payable at prime, (8.5% at December 31, 2023), with a floor rate of 6%. The outstanding balance on the line of credit was $-0- at December 31, 2023 and 2022. The line of credit is available until December 2025.

Long-term debt consists of the following at December 31:

	2023	2022
Notes payable bank – with interest at 3.5%, payable in monthly payments of $6,732 due through May 2028, secured by all assets of the Company and a 35% guarantee of an officer.	$ 329,758	$ 397,534
Total long-term debt	329,758	397,534
Less current portion of long-term debt	70,370	67,953
Long-term debt, less current portion	$ 259,388	$ 329,581

6. Borrowings Concluded)

Future maturities of long-term debt are as follows:

2024	$ 70,370
2025	72,873
2026	75,465
2027	78,149
2028	32,901
Total	$ 329,758

7. Operating Leases

Total rent expense for office spaces was $71,599 in 2023 and 2022. Included in total rent expense is a lease with an officer of the Company (Note 4). The lease includes three lease terms. The first three-year term was non-cancelable and ran from January 2019 through December 2021 at $5,692.50 per month. The second term of three years (at $5,966.58 per month) and the third term of four years (at $6,261.75 per month) renew automatically unless the Company provides written notice to terminate at least 120 days prior to the renewal date. The lease may be renewed at the option of the Company for two additional terms of five years each at the market rate at the time of renewal.

On January 1, 2022 the Company adopted ASU Topic 842, *Leases,* and management determined that the lease qualifies as an operating lease. Under ASU 842, on the transition date of January 1, 2022, the Company recorded a right-of-use asset and a related lease liability equal to $487,776. As permitted by ASU 842 the Company elected to use a risk-free discount rate for the lease of 1.55% determined using a period comparable with the remaining lease term of seven years. The lease liability is amortized using the risk-free discount rate and the right-of-use asset is amortized in a systematic and rational basis by subtracting the liability lease expense from the total lease expense. Lease expense is comprised of the right-of-use asset amortization and the interest incurred on the lease liability.

Balance sheet information at December 31, 2023 related to this operating lease was as follows:

Operating lease right-of-use assets	$ 357,779
Current portion of operating lease liability	$ 66,525
Operating lease liability, excluding current portion	291,254
Total operating lease liability	$ 357,779

7. Operating Leases (Concluded)

Weighted Average Remaining Lease Term	72 months
Weighted Average Discount Rate	1.55%

Maturities of lease liabilities from these leases are as follows:

2024	$ 71,599
2025	75,141
2026	75,141
2027	75,141
2028	75,141
Total lease payments	372,163
Less imputed interest	(14,384)
Total	$ 357,779

8. Employee Benefit Plan

The Company sponsors a defined contribution 401(k) plan covering substantially all employees. Matching contributions by the Company were $96,642 and $99,617 in 2023 and 2022, respectively.

9. Commitments and Contingencies

Under the terms of a stockholders' agreement, the Company is obligated to purchase or cause to be purchased all of the common stock of any stockholder that ceases to be a full time employee. In 2024 both of the minority stockholders of the Company will cease to be full time employees. The agreement contains a formula for the computation of the purchase price and the Company estimates the purchase price to be $282,686 in total. The Company has the option to pay one half of the price in four equal semi-annual payments over two years, including interest at the prime rate.

10. Subsequent Events

Subsequent events have been evaluated through February 18, 2024, which is the date the financial statements were available to be issued.

11. Reclassifications

Certain 2022 amounts have been reclassified to conform to the 2023 financial statement presentation.

EXHIBIT C

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS

FRANCHISE AGREEMENT

COAST TO COAST ENGINEERING SERVICES, INC. D/B/A CRITERIUM ENGINEERS

FRANCHISE AGREEMENT

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COAST TO COAST ENGINEERING SERVICES, INC. D/B/A CRITERIUM ENGINEERS

FRANCHISE AGREEMENT

This Franchise Agreement, made this _____ day of _____, 20__, by and between Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers, a Maine corporation, having its principal place of business at 5 Depot Street, Suite 23, Freeport, ME 04032 ("Franchisor"), and _____ whose principal address is _____ an individual/partnership/corporation/limited liability company established in the State of_____ ("Franchisee").

WITNESSETH:

WHEREAS, Franchisor has developed a System identified by the trademark "CRITERIUM ENGINEERS" relating to the establishment, development, and operation of consulting engineering services; and

WHEREAS Franchisor grants to qualified persons the right to own and operate a single Franchised Business under the Marks and in strict accordance with the System; and

WHEREAS Franchisee is a duly licensed Professional Engineer, or, in states where permitted to do so, has appointed a licensed Professional Engineer as an officer of the company and/or in responsible charge; and

WHEREAS Franchisee is desirous of entering into an agreement with Franchisor so as to be able to obtain the rights to operate a Franchised Business using the System developed by Franchisor; and

WHEREAS Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality, operations, and service and the necessity of operating the Franchised Business in strict conformity with the System.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, terms, and conditions herein contained and the acts to be performed by the respective parties hereto, the receipt and sufficiency of which is hereby acknowledged, Franchisor and Franchisee agree as follows:

1. DEFINITIONS

Whenever used in this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

"Agreement" means this agreement entitled "Franchise Agreement" and all instruments supplemental hereto or in amendment or confirmation hereof;

"Authorized Location" means the premises for the operation of the Franchised Business selected by the parties;

"Competitive Business" means any business which operates, or grants franchises or licenses to others to operate a business that offers or sells consulting engineering services that are the same as or substantially similar to the services offered by Franchisee under this Agreement.

"Confidential Information" means any trade secret or any information that is competitively sensitive and not generally known by the public, whether or not in written or tangible form and regardless of the media (if any) on which stored, relating to the Criterium Engineers System, including operating systems and techniques, record-keeping and reporting methods, accounting systems, management systems and techniques, management training techniques, business forms, and business stationery to be used by franchisees, operating manuals for franchisees, ideas, research and development, know-how, lists of franchisees and suppliers, suggested pricing and cost information, and business and marketing plans and proposals;

"Cooperative Marketing" means the marketing and advertising program established for the franchised businesses within a particular region;

"Designated Manager" means the person designated by Franchisee who has primary responsibility for managing the day-to-day affairs of the Franchised Business;

"Franchise Fee" has the meaning given to such term in Section 3 hereof;

"Franchised Business" means the Criterium Engineers Franchised Business to be carried on by Franchisee in accordance with the System pursuant to this Agreement;

"Franchisee" shall be deemed to include not only the individual or entity defined as "Franchisee" in the introductory paragraph of this Agreement, but shall also include any supervisory employee of the Consulting Engineering Service Business or (if Franchisee is a corporation or partnership) officer, director, partner or shareholder owning five percent (5%) or more of the outstanding shares or equity interest of Franchisee; all partners of the entity that execute this Agreement, (if the entity is a partnership); all shareholders, officers and directors of the entity that execute this Agreement (if the entity is a corporation); and all members and managers of the entity that execute this Agreement (if the entity is a limited liability company). All such persons or parties are identified in Exhibit D as controlling principals. By their signatures hereto, all partners, shareholders, officers, directors, members, and managers of the

entity that sign this Agreement as Franchisee acknowledges, accepts, and personally guarantees the duties and obligations imposed upon each of them, individually, by the terms of this Agreement;

"Franchisor" means Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers;

"Franchisor Subsidiary" means any entity that controls, is controlled by, or is under common control of Franchisor;

"Gross Receipts" means the aggregate of all revenue in connection with the Franchised Business received by Franchisee (regardless of whether in cash, merchandise or services) resulting directly or indirectly from the operation of the Franchised Business, regardless of the nature of the services or the source of Franchisee's income or fees, excluding only sales tax, excise tax or other similar tax collected or paid by Franchisee on a per transaction basis, any refunds paid by Franchisee on fees previously reported where service or Marketing Fees were paid thereon and, with the prior written approval of Franchisor, certain unusual expenses upon which no income (either profit or administrative) is derived. Except as expressly agreed by Franchisor, no commissions, expenses, or bonuses paid to employees, officers, directors, consultants, or independent consultants nor any item of expense or overhead shall be deductible from Gross Receipts in the computation of payments hereunder.

"Manual" means not only the Criterium Engineers Operations Manual, but other items as may be provided, in the future, including administration and managers manual(s), certain pamphlets, memoranda, e-mail, and other publications prepared by Franchisor and as may be added to, changed, modified, withdrawn or otherwise revised by Franchisor setting out the standards, methods, procedures and specifications of the System;

"Marketing Fee" has the meaning given to such term in Section 3.3;

"Marketing Fund" means the systemwide advertising and marketing fund established by Franchisor as described in Section 9;

"Marks" means the mark "CRITERIUM ENGINEERS" and such other trade names, trademarks, service marks, designs, graphics, logos and other commercial symbols as Franchisor may designate and not thereafter withdraw to be used in connection with the Franchised Business; There are no infringing or prior uses actually known to Franchisor that could materially affect the use of the Marks.

"**National Account Clients"** means any business client which operates in several regions, states, or nationally and which Franchisor has previously performed services for, has solicited business from, or receives a request to perform services.

"Royalty Fee" has the meaning given to such term in Section 3.2 hereof;

"System" means the uniform standards, methods, procedures, and specifications developed by Franchisor and as may be added to, changed, modified, withdrawn, or otherwise revised by Franchisor, for the operation of a Franchised Business; and

"**Technology Fee**" has the meaning given to such term in Section 3.4 hereof; and

"Territory" has the meaning given to such terms in Section 2.2 and otherwise shown or described on the map set out in Exhibit A hereof.

2. GRANT OF FRANCHISE

2.1. Grant of Franchise

Subject to the provisions of this Agreement, Franchisor grants to Franchisee, and Franchisee accepts the limited right to use the System and the Marks in the operation of a Franchised Business in the Territory.

2.2. Territorial Rights

The license in this Agreement is granted for the Territory described in Exhibit "A." The office, or offices, shall be located in the Territory at the specific location or locations identified by the parties on Exhibit "A", and no office shall be relocated, nor additional offices opened, in the Territory without the prior written approval of Franchisor. Commencing no later than six (6) months following the date of this Agreement and continuing for the balance of the term hereof, Franchisee must at all times have at least one office operating in the Territory. This license is subject to the following rights, restrictions, and exceptions:

2.2.1 Franchisee agrees that during the term of this Agreement it shall not, in territories protected by exclusive arrangements with other Franchisees or Licensees of Franchisor, perform or provide consulting engineering services that fall within the definition of a Competitive Business.

2.2.2 Franchisor agrees that during the term of this Agreement, unless earlier terminated in accordance with Sections 16 or 17, it shall not locate for itself or license any franchisee within the Territory, other than Franchisee, to perform or provide consulting engineering services that fall within the definition of a Competitive Business as defined in this Agreement.

2.2.3 Notwithstanding the restriction set forth in Section 2.2.2, Franchisor may solicit work within the Territory from its National Account Clients. For any transactional services (those which are single transactions usually performed within a short period of time), Franchisor agrees to initially negotiate the fee for services performed and assign the work to Franchisee.

Franchisor may also solicit work within the Territory from National Accounts Clients that request ongoing, longer-term services including, but are not limited to, new construction services for building envelope consulting, quality assurance programs, and other services. Such services may require specialized training in order for Franchisee and/or Franchisee's staff to acquire the skills both technically and technologically. Franchisor agrees to provide the necessary training and assign the work to Franchisee, provided Franchisee has successfully completed the training and demonstrated competence satisfactory to Franchisor.

While the Franchisee has no obligation to accept these assignments, if the Franchisee declines to accept any assignment, Franchisor shall be entitled to redirect that assignment to another engineer or franchisee without having to obtain Franchisee's permission and/or without having to pay Franchisee a royalty or commission or other payment.

2.2.3.1 If Franchisor deems Franchisee's performance on any National Accounts Client assignments as being unacceptable, Franchisor shall be entitled to discontinue, limit or monitor Franchisee's access to assignments until Franchisor has evidence of acceptable performance.

2.2.3.2 Notwithstanding the restrictions in Section 2.2.1, Franchisee may solicit work from National Accounts Clients.

2.2.4 If, at any time during the term of the Franchise Agreement, Franchisee fails to generate the minimum gross receipts ("Minimum Gross Receipts") specified in the following schedule for any twelve (12) consecutive month period commencing after the end of the first 12 months from execution of the Franchise Agreement, then at Franchisor's option and pursuant to Section 15, the Franchisor shall be entitled to: (1) terminate the franchise agreement; or (2) reduce the size of the Territory. If the Franchisor offers to reduce the size of the Territory, the Franchisee may either accept or decline the reduced franchise territory. If the Franchisee does not accept the re-designed territory in writing within ten (10) days of the Franchisor's offer to do so, then the Franchisor may terminate the franchise agreement. If, however, the failure by Franchisee to achieve the Minimum Gross Receipts specified occurs in the fifth (5^{th}) or any subsequent years, the Franchisee's territorial exclusivity shall be immediately terminated

Franchisor shall consider geographic location, territory, population, and per capita share in establishing minimum Gross Receipts.

Minimum Gross Receipts

Population Base –	0 – 500,000	500,001 – 1,000,000	1,000,001 – 2,000,000	Each additional 1,000,000 add
Year 1 (first 12 months)	$0	$0	$0	$0
Year 2	$50,000	$75,000	$75,000	$75,000

Year 3	$100,000	$150,000	$200,000	$150,000
Year 4	$150,000	$225,000	$300,000	$225,000
Year 5	$200,000	$300,000	$400,000	$300,000

For the fifth and subsequent years, the Minimum Gross Receipts shall be fixed at the level at the end of year 5.

2.3. Exclusivity/Franchisor's Rights

Franchisee acknowledges that Franchisor expressly retains all rights and discretion with respect to the Marks and System, including, without limitation, the right:

2.3.1 To establish, and license others to establish other businesses under other systems using other proprietary marks at such locations and on such terms and conditions as Franchisor deems appropriate;

2.3.2 To own, franchise, or operate CRITERIUM ENGINEERS Businesses at any location outside of the Territory, regardless of the proximity to the Franchised Business. Franchisor will not establish within the Territory another franchisee or company-owned outlet which may also use the Marks, subject to the requirements outlined in Section 2.2 above;

2.3.3 To use the 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 Territory. 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. Franchisor is not required to compensate Franchisee for soliciting or accepting orders, pursuant to section 2.2.3 above, inside the Territory;

2.3.4 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 which is outside of the scope of Competitive Business as defined above;

2.3.5 To purchase or be purchased by, or merge or combine with, any business, including a business that competes directly with the Franchised Business, wherever located;

2.3.6 To acquire and convert to the System operated by Franchisor any businesses offering services and products related to operating a consulting engineering service business, 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 Territory;

2.3.7 To implement multi-area marketing programs which may allow Franchisor or others to solicit or sell to customers anywhere. Franchisor also reserves the right to issue mandatory policies to coordinate these multi-area marketing programs; and

2.3.8 To engage in any activities not expressly prohibited by this Agreement.

3. **FEES**

Franchisee agrees to pay Franchisor the following fees and amounts at the times specified herein:

3.1. Franchise Fee

Upon execution of this Agreement, Franchisee shall pay a nonrefundable Franchise Fee to Franchisor in the amount of _____($_____). The Franchise Fee shall be deemed fully earned upon execution of this Agreement and is non-refundable, except under the conditions set forth under Section 8.3.1 of this Agreement. The Franchise Fee is payment, in part, for expenses incurred by Franchisor in furnishing assistance and services to Franchisee as set forth in this Agreement and for costs incurred by Franchisor including, but not limited to, general sales and marketing expenses, training, legal, accounting and other professional fees. Franchisor reserve the right to offer existing franchisees purchasing additional franchise territories a lower franchise fee.

Franchisor shall be entitled to change the Franchise Fee at any time and to negotiate higher or lower Franchise Fees for each additional and subsequent Criterium Engineers franchise Franchisee opens.

3.2. Royalty Fee

So long as this Agreement and any extension hereof shall be in effect with respect to its activities:

3.2.1 Franchisee shall pay to Franchisor a monthly Royalty Fee in amounts equal to those in the table below.

ROYALTY / FEE	***BASED ON GROSS RECEIPTS OF:***
6.0%	Less than or equal to $300,000 Annually
5.5%	Above $300,000 and less than or equal to $600,000 Annualized
5.0%	Above $600,000 and less than or equal to $1,000,000 Annualized
4.5%	Above $1,000,000 and less than or equal to $1,500,000 Annualized
4.0%	Above $1,500,000 Annualized and less than or equal to $2,000,000 Annualized
Fixed $5,000/month.	Above $2,000,000 Annualized

3.2.2 If, at any time during the term of the Franchise Agreement, Franchisee fails to generate the Minimum Gross Receipts specified in Section 2.2.4, for any twelve (12) consecutive month period commencing after the end of the first 12 months from execution of

the Franchise Agreement, then Franchisee shall be required to pay to Franchisor an additional Royalty Fee as if the Minimum Gross Receipt had been generated. Such additional payment will be due on or before the 1st day of the second month of the subsequent year.

3.2.3. To receive a reduction in Royalty Fee payments, Franchisee must be in complete compliance with all material and non-material terms of this Agreement and the then existing Operations Manual, including timely payment of all Royalty Fees, timely filing of all financial reports and timely filing of evidence of required insurance coverage, etc. . . . ("Complete Compliance"). Franchisor shall be solely entitled to determine whether Franchisee is in Complete Compliance. In the event Franchisee is in Complete Compliance, reductions in Royalty Fee shall be administered as follows:

(a) In the year Franchisee first crosses the threshold to the next level of annual Gross Receipts, a rebate equal to the amount of the reduced Royalty Fee shall be provided to the Franchisee within thirty (30) days after the receipt and confirmation of Franchisee's prior year financial reports (audit or tax returns) or by June 30th, whichever is later.

(b) In the second consecutive year after Franchisee crosses the threshold to the next level of annual Gross Receipts, a rebate equal to the amount of the reduced Royalty Fee shall be provided to the franchisee within thirty (30) days after the receipt and confirmation of Franchisee's prior year financial reports (audit or tax returns) or by June 30th, whichever is later.

(c) If Franchisee succeeds for two consecutive years in attaining annual Gross Receipts above the threshold of the next level of annual Gross Receipts, then in the third year, Franchisee may begin paying Royalty Fees at the reduced level and may continue to do so for as long as they remain above the threshold revenue level.

(d) In the event Franchisee falls below the previously attained threshold level, Franchisee must pay Franchisor the incremental difference between the Royalty Fees actually paid and the Royalty Fees owed using the table outlined above. Franchisee must make this payment at the earliest of June 30th of the following year; or within thirty (30) days after the receipt and confirmation of Franchisee's prior year financial reports (audit or tax returns).

(e) In the event Franchisee falls below a previously attained threshold level, this entire Royalty Fee reduction process shall start all over again and Franchisee shall be given no credit or consideration for having previously attained said threshold level.

3.3. Marketing Fee

With respect to its activities, Franchisee shall pay the CRITERIUM® Marketing Fund a marketing fee equal to one percent (1%) of the prior month's Gross Receipts or the sum of fifty dollars ($50.00), whichever is more, each month (the "Marketing Fee"). Franchisee's required payments shall be made at the same time and in the same manner as the Royalty Fee

payment as provided in Section 3.2 of this Agreement including the provision to make additional payment to adjust for meeting the Minimum Gross Receipts as specified in Section 3.2.2. Such sums shall be maintained and administered by Franchisor or its designee in accordance with the provisions contained in Section 9.2.

3.3.1 Franchisee shall pay to Franchisor the amount of all sales taxes, use taxes and similar taxes imposed upon or required to be collected on account of the fees payable by Franchisee hereunder and of services or goods furnished to Franchisee by Franchisor, whether such services or goods are furnished by sale, lease or otherwise, unless the tax is an income tax assessed on Franchisor for doing business in the state where the Franchised Business is located.

3.3.2 The Marketing Fund and Marketing Fee have been known within the Criterium organization, from time to time, as the Criterium communications fees and communications fund and as advertising fees and advertising fund(s). Such terminology is interchangeable.

3.4 Technology Fee

Franchisee is required to pay Franchisor a technology fee. Such sums shall be maintained and administered by Franchisor or its designee in accordance with the provisions contained in Section 10.

3.5 Pre-authorized Transfers; Late Charges

Franchisor does not currently but reserves the right to require Franchisee to effectuate all payments to Franchisor by the use of pre-authorized electronic funds transfer or via our on-line payment portal in the amount of the Royalty Fee or any other amounts due to Franchisor or its Franchisor Subsidiary. The requirement for pre-authorized electronic funds transfer may be, but is not necessarily, initiated by failure to meet the requirements for timely payments of Royalty Fees, Marketing Fees, and other fees due under this Agreement. Upon thirty (30) days' notice to commence electronic funds transfer such withdrawals may be made on the first business day following the date on which the payment was due, or any succeeding business day. Franchisee shall cooperate with Franchisor in all respects to implement such payment system, including but not limited to, at Franchisor's request at any time, the execution of the Electronic Fund Transfer Authorization in the form attached hereto as Exhibit C or the effective equivalent which Franchisor deems necessary to process the aforementioned electronic funds transfer from Franchisee's designated bank account for payments hereunder. If any payment is overdue for any reason, except Franchisor's failure to attempt access to Franchisee's operating account, Franchisee must pay Franchisor, in addition to the overdue amount, interest on such amount from the date it was due until paid equal to eighteen percent (18%) per annum.

3.6 Application of Payments

Notwithstanding any designation by Franchisee, Franchisor shall be entitled to apply any payments by Franchisee to any past due indebtedness of Franchisee for Royalty Fees,

Marketing Fees, purchases from Franchisor or any Franchisor Subsidiary, interest, or any other indebtedness.

3.7 Currency

Unless otherwise stated, all dollar amounts in the Agreement are in U.S. dollar amounts.

4. TERM AND RENEWAL

4.1. Initial Term

This Agreement shall be effective and binding for an initial term of ten (10) years from the date indicated in the first paragraph of this Agreement; provided, however, that in the event Franchisee (or its Designated Manager) fails to successfully complete initial training to Franchisor's satisfaction and you have not obtained financing from Franchisor, then Franchisor will return to Franchisee Five Thousand Dollars ($5,000) of the Franchise Fee paid under Section 3.1, in accordance with 8.3.1 below, and this Agreement shall be of no further force and effect.

4.2. Renewal Right

Franchisee shall have the right to enter into a new franchise agreement in the form then being offered to prospective franchisees at the expiration of the initial term of this Agreement for successive terms of five (5) years each, provided that all of the following conditions have been fulfilled:

4.2.1 Franchisee has, during the entire term of this Agreement, substantially complied with all its provisions and is not in default of this Agreement at the time of renewal;

4.2.2 Franchisee has given notice of renewal to Franchisor as provided in Section 4.3 below;

4.2.3 Upon renewal, Franchisee has executed Franchisor's then-current form of the franchise agreement or has executed renewal documents at Franchisor's election (with appropriate modifications to reflect the fact that the franchise agreement relates to the grant of a renewal franchise), which franchise agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, a different percentage Royalty Fee and Marketing Fee; provided however, Franchisee shall not be required to pay the then-current initial Franchise Fee or its equivalent;

4.2.4 Franchisee has complied with Franchisor's then-current qualifications and ongoing training requirements; and

4.2.5 Franchisee and each officer, director, shareholder, or partner of Franchisee shall have executed a general release, in a form substantially similar to the one

attached hereto as Exhibit F, of any and all claims against Franchisor and its officers, directors, shareholders, and employees.

4.3. Notice

If Franchisee desires to renew this franchise at the expiration of this Agreement, Franchisee shall give Franchisor written notice that it intends to exercise its right to renew at least 180 days, but not more than twelve (12) months, prior to the expiration of the initial term of this Agreement or the end of the first renewal term, as the case may be. Within thirty (30) days after its receipt of such timely notice, Franchisor shall furnish Franchisee with written notice of its decision of whether pursuant to Section 4.2 Franchisee has the right to renew its franchise. If the notice indicates that Franchisor will permit Franchisee to renew its franchise, then Franchisee's right to renew its franchise will be contingent on continued full compliance with this Agreement and any other agreement between Franchisee and Franchisor. If Franchisor refuses to renew the franchise, Franchisor will provide notice which states the reasons for Franchisor's decision. If Franchisor determines that Franchisee is not eligible to renew its franchise, but that the nature of the noncompliance may be cured so that Franchisor is willing to consider granting Franchisee a renewal franchise, Franchisor will notify Franchisee accordingly. Franchisee will be eligible to renew its franchise if Franchisee has cured the noncompliance within thirty (30) days of Franchisor' s notice of noncompliance to Franchisee and remains in compliance with the terms of this Agreement until the renewal franchise agreement is executed.

5. **MARKS**

5.1. Ownership

Franchisee acknowledges that its right to use the Marks is derived solely from this Agreement, is nonexclusive and is limited to the operation of business by Franchisee pursuant to and in compliance with this Agreement and all applicable standards, specifications and operating procedures prescribed by Franchisor. Franchisee agrees that its every use of the Marks and any goodwill created shall inure to the benefit of Franchisor and that Franchisee shall not at any time acquire rights in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, right, title, or interest in the Marks to Franchisee. Franchisee shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks. Franchisee agrees it will not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark licensed to Franchisee.

5.2. Limitations on Franchisee's Use of Marks

Franchisee shall not use any Mark or portion of any Mark as part of any corporate or trade name, with any prefix, suffix or other modifying words, terms, designs, or symbols or in any modified form, without the prior written consent of Franchisor. Among all other limitations on the use of the Marks, specifically, Franchisee shall not use Criterium in the name of its corporation, partnership, LLC or other business structure for the franchised consulting

engineering business. Franchisee shall not use any Mark in connection with the sale of any unauthorized service or product or in any other manner not expressly authorized in writing by Franchisor.

5.3. Notification of Infringements and Claims

Franchisee shall immediately notify Franchisor of any infringement of the Marks or challenge its use of any of the Marks or claim by any person of any rights in any of the Marks. Franchisee agrees that Franchisee will not communicate with any person other than Franchisor and Franchisor's counsel in connection with any such infringement, challenge, or claim. Franchisor shall be entitled to take such action as it deems appropriate and the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge, or claim or otherwise relating to any of the Marks. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain Franchisor's interests in any such litigation or other proceeding or to otherwise protect and maintain Franchisor's interest in the Marks. If Franchisor's counsel requests such assistance, Franchisor agrees to provide reasonable and customary compensation to Franchisee for time spent and out of pocket costs for the protection and maintenance of Franchisor's interests. At Franchisor's option, Franchisor or its designee may defend and control the defense of any proceeding arising directly from Franchisee's use of any Mark.

5.4. Use of Marks

Franchisee understands and acknowledges that each and every detail of the system is important to Franchisor, to Franchisee and to other franchisees in order to develop and maintain uniformity of services and, therefore, to enhance the reputation, trade demand and goodwill of Franchisor, Franchisee accordingly covenants:

5.4.1 To operate, advertise and promote their office, including without limitation to company name, web site, and e-mail addresses, under the name Criterium;

5.4.2 To adopt and use the Marks licensed hereunder solely in the manner prescribed by Franchisor including appropriate use of the registration notice, if any;

5.4.3 To conduct the office under said Marks in accordance with operational standards established by Franchisor, and as specified in the Manual and/or other documents provided from time to time to Franchisee;

5.4.4 To register the mark, as appropriate with state, provincial, and local officials, as a fictitious or assumed name or d/b/a of the franchised consulting engineering business.

5.5. Discontinuance of Use of Marks

Franchisor shall be entitled to request that Franchisee modify or discontinue use of any of the Marks or other commercial symbols, and in such event, Franchisee shall, upon receiving written notice from Franchisor, immediately modify or discontinue use of any Marks as Franchisor may require. Franchisor shall not be required to reimburse Franchisee for its expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by Franchisee to promote a modified or substitute trademark.

5.6. Right of Inspection

In order to preserve the validity and integrity of the Marks licensed herein and to ensure that Franchisee is properly employing the Marks in the operation of the Franchised Business, Franchisor and its agents shall have the right of entry and inspection of the Authorized Location at all reasonable times and, additionally, shall have the right to observe the manner in which Franchisee is rendering its services and conducting its activities and operations and to inspect inventory, equipment, accessories, products, supplies, reports, forms and documents and related data to make certain that the Franchised Business is being operated in accordance with the quality control provisions and performance standards established by Franchisor.

5.7. Franchisor's Right to Domain Name

Franchisee shall not establish an Internet site using a domain name or uniform resource locator containing any of the Marks, including the words "CRITERIUM ENGINEERS" or any variation thereof without prior written consent from Franchisor. Franchisor retains the sole right to advertise on the Internet, including all use of websites, domain names, URL's, linking, advertising, public/social media and/or networking pages and groups (i.e. Facebook, LinkedIn) and their associated URLs, and co-branding arrangements. Franchisee acknowledges that as between Franchisor and Franchisee, Franchisor is the owner of all right, title and interest in and to such websites, domain names, URL's, linking, advertising, public/social media and/or networking pages and groups (i.e. Facebook, LinkedIn) and their associated URL's, and co-branding arrangements as Franchisor shall designate in the Manual. Franchisee may not 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 without Franchisor's prior review and approval.

6. CONFIDENTIAL INFORMATION

6.1. Requirement of Confidentiality

6.1.1 Franchisor shall disclose Confidential Information to Franchisee in the training program, the Manual, and in guidance furnished to Franchisee during the term of this Agreement. Franchisee shall not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term of this Agreement, and Franchisee acknowledges that the use or duplication of the Confidential

Information in any other business venture would constitute an unfair method of competition. Franchisee acknowledges and agrees that the Confidential Information is proprietary, includes Franchisor's trade secrets, and is disclosed to Franchisee solely on the condition that Franchisee does hereby agree that it: (a) shall not use the Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (c) shall not make unauthorized copies of any portion of the Confidential Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Confidential Information. Franchisee agrees to enforce the preceding provisions of this paragraph as to its employees, agents, and representatives.

6.1.2 Neither Franchisee nor any Franchisee Affiliate shall communicate or divulge to any other person, persons, partnership or corporation, any information or knowledge concerning the methods of preparation, promotion, sale or distribution used in the System, nor shall Franchisee or any Franchisee Affiliate disclose or divulge in whole or in part any trade secrets or private processes of Franchisor, at any time during the term of this Agreement or at any time thereafter.

6.2. Improvements Developed by Franchisee

All ideas, concepts, techniques or materials concerning the Franchised Business, whether or not protectable intellectual property and whether created by or for Franchisee or its owners or employees, must be promptly disclosed to Franchisor and will be deemed part of the System which Franchisor may choose to adopt and/or disclose to other franchisees. Likewise, Franchisor agrees to disclose to Franchisee ideas, concepts, techniques, or materials developed by other franchisees which are made a part of the System. If requested by Franchisor, Franchisee agrees to assist Franchisor in obtaining property rights in any such item disclosed to Franchisor and Franchisor agrees to compensate Franchisee for reasonable out-of-pocket expenses to obtain such property rights.

6.3. In-Term Covenant Not To Compete

Franchisee acknowledges and agrees that Franchisor would be unable to protect the Confidential Information against unauthorized use or disclosure if franchisees and members of their immediate families were permitted to hold interest in or perform services for a Competitive Business. Franchisee, therefore, agrees that during the term or any extension of this Agreement, that neither Franchisee nor any member of the immediate family or any holder of a legal or beneficial interest in Franchisee or any supervisory employee of Franchisee will: (a) have any direct or indirect ownership interest in any Competitive Business located or operating anywhere in the world; (b) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for any Competitive Business or any entity which is granting franchises or licenses to others to operate a Competitive Business located or operating anywhere in the world; (c) divert, or attempt to divert, any business of, or any customers of, the Franchised Business to any other competitive establishment, by direct or indirect inducement or otherwise.

6.4. Third Party Nondisclosure

Franchisor reserves the right to require Franchisee to have each of its shareholders, officers, directors, partners, employees, members, and managers, execute a nondisclosure and non-competition agreement in a form approved by Franchisor, including, without limitation, specific identification of Franchisor as a third-party beneficiary with the right to enforce covenants contained in such agreements.

6.5. Tolling

Covenants contained in this Section 6 shall be construed as severable and independent and shall be interpreted and applied consistent with the requirements of reasonableness and equity. Any judicial reformation of these covenants consistent with this interpretation shall be enforceable as though contained herein and shall not affect any other provisions or terms of this Agreement. In view of the confidential nature of the business of Franchisor, Franchisee and each Franchisee Affiliate consents to the issuance of an injunction enjoining violations of these covenants. The running of any period of time specified in this Section 6 shall be tolled and suspended for any period of time in which the Franchisee is found by a court of competent jurisdiction to have been in violation of this restrictive covenant. Franchisor shall be entitled to revise any of the covenants in this Section 6 so as to reduce the obligations of Franchisee hereunder. Franchisee further expressly agrees that the existence of any claim it may have against Franchisor whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 6.

7. **MANUAL**

7.1. Ownership

Franchisor will provide access to the Manual and other materials which constitute the Manual describing Franchisor's standards, operating procedures, and practices. The Manual may be in written form or any electronic medium. The Manual shall, at all times, remain the sole property of Franchisor, and Franchisee shall promptly return the manual upon the expiration or termination of this Agreement.

7.2 Compliance

Franchisee agrees to comply fully with all mandatory standards, specifications and operating procedures and other obligations contained in the Manual.

7.3. Revision

Franchisor and Franchisee acknowledge the mission of Franchisor will, from time to time, require modification of the Manual and other materials. Franchisor shall have the right to add to and otherwise modify the Manual from time to time provided, however, that no such addition or modification shall alter Franchisee's fundamental status and rights under this Agreement. Franchisor may make such additions or modifications without prior notice to Franchisee. Franchisor may, but is not obligated to, seek input from Franchisees on the modifications. Franchisee shall immediately, upon notice, adopt any such changes within the

time specified by Franchisor. For substantial material changes, Franchisor will use its best efforts to provide reasonable notice. If there is a dispute as to the contents of the Manual, the terms of the master copy maintained at Franchisor's headquarters will control.

7.4. Confidential Use

The Manual contains proprietary information and certain Confidential Information of Franchisor. Franchisee agrees to maintain confidentiality both during the term of this Agreement and subsequent to the expiration or termination of the franchise. Franchisee shall at all times maintain its copy of the Manual in a current and up-to-date manner. Franchisee shall not make any disclosure, duplication, or other unauthorized use of any portion of the Manual. Franchisee shall provide access to the Manual to only authorized personnel. At all times that the Manual is not in use by authorized personnel, Franchisee shall secure access from unauthorized use.

8. TRAINING AND ASSISTANCE

8.1. Initial Training

Franchisor shall provide, and Franchisee or its Designated Manager shall attend and successfully complete, no more than 6 months of opening Franchisee's office, a training program consisting of approximately forty (40) hours' duration. Training programs shall be held either virtually using Zoom or other similar technology or at the offices of Franchisor and may be completed in one or more separate sessions consisting of several days each. If Franchisee or its Designated Manager is required to attend training at the offices of the Franchisor, Franchisor shall provide a minimum, reasonable travel allowance and daily allowance for meals and lodging. Franchisor shall be entitled to determine the type and amount of said expenses, and this information shall be set forth from time to time in the Manual. All additional expenses for all training sessions shall be borne by Franchisee. Franchisee may enroll an unlimited number of supervisory and technical staff to participate in the initial training program whenever held. Franchisor does not pay for travel, meals or other allowances for these individuals and reserves the right to charge a fee for materials. Alternatively, after three years of operation, Franchise shall be entitled to train supervisory and technical staff in-house if Franchisee follows Franchisor's on-site training program. This training program is provided to protect Franchisor's brand and the Marks and not to control the day-to-day operation of the Franchised Business.

8.2. Operational Systems Assistance

Franchisor further promises to provide assistance and instruction in setting up operational systems as a separate segment in the training program referred to in Section 8.1.

8.3. Failure to Complete Initial Training

8.3.1 If Franchisor determines that Franchisee is unable to satisfactorily complete the training program described above, by demonstrating a level of business acumen, engineering understanding and the commitment to learning, Franchisor shall have the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 8, Franchisor shall return to Franchisee FIVE THOUSAND DOLLARS ($5,000.00) of the Franchise

Fee earned by Franchisor, as specified above in Section 3.1. Upon return of said amount, Franchisor shall be fully and forever released from any claims or causes of action Franchisee may have under or pursuant to this Agreement.

8.3.2 In the event the Designated Manager of the Franchised Business fails to complete the initial training program to Franchisor's reasonable satisfaction, a substitute manager may be selected by Franchisee and such substitute manager must complete the initial training to Franchisor's reasonable satisfaction, prior to opening for business. Franchisee shall pay Franchisor's then current cost of training, if any, for such substitute manager.

8.3.3 If, during the term of this Agreement, the Designated Manager is not able to continue to serve in the capacity of Designated Manager, Franchisee shall promptly notify Franchisor and designate a replacement within thirty (30) days after the Designated Manager ceases to serve, such replacement being subject to the same qualifications and restrictions listed above. Franchisee shall provide for interim management of the activities contemplated under this Agreement until such replacement is so designated, such interim management to be conducted in accordance with this Agreement. Such replacement must complete the training program described above within ninety (90) days after the Designated Manager ceases to serve as the Designated Manager. Any failure to comply with the requirements of this subsection shall be deemed a material event of default under this Agreement.

8.4. Ongoing Training

Franchisor from time to time may provide and, if it does, may require that Franchisee and/or its Designated Manager attend and successfully complete ongoing training programs including refresher training, seminars, classes, and/or meetings. Attendance at ongoing training programs shall be at Franchisee's sole expense including, without limitation, travel costs, room, and board expenses and employee salaries. Required attendance for ongoing training shall not exceed more than one (1) session and shall not exceed forty (40) hours over one (1) week in any two-year period.

8.5. Seminars and Enterprise Events

Franchisor from time to time may present seminars, enterprise events or continuing development programs for the benefit of Franchisee. Franchisee is encouraged to attend regional meetings and is required to attend all annual enterprise events. Franchisee must pay for any registration fees, materials and travel and living expenses incurred in attending all seminars and enterprise events.

8.6. Additional Assistance

8.6.1 Upon request of Franchisee, Franchisor may provide additional on-site assistance to Franchisee. Franchisor reserves the right to charge Franchisee a daily flat fee, plus travel expenses, lodging and meals, for each of Franchisor's employees or designees that provide the requested additional on-site assistance to Franchisee for each day the assistance is provided. Provided, however, that such fees shall be agreed upon in writing and in advance of

assistance.

8.6.2 Franchisor shall provide a continuing advisory service which shall include, but not be limited to, consultation on promotional, business or operations with analysis of Franchisee's sales, marketing, and financial data.

8.6.3 Franchisor shall, from time to time, offer to Franchisee seminars, newsletters and peer review programs and materials and bulletins on sales, marketing developments, products and techniques either without charge or according to the then current price lists.

8.6.4 Franchisor shall provide technical support staffed by technical staff of professional competency and a technical support library and files will be maintained.

9. MARKETING AND PROMOTION

Recognizing the value of advertising and the importance of the standardization of marketing, advertising and promotion to the furtherance of the goodwill and the public image of the System, Franchisee agrees as follows:

9.1. Local Advertising and Promotion

9.1.1 Franchisor reserves the right, upon ninety (90) days advance notice, to require Franchisee to spend up to two percent (2.0%) of the previous month's Gross Receipts on local advertising. Such expenditures, if required, shall be made directly by Franchisee, subject to the approval and direction of Franchisor. Franchisor may provide guidelines for conducting local advertising, and any deviations from such guidelines shall be approved by Franchisor in writing prior to use. If franchisor requires an expenditure for local advertising, then by the tenth (10th) day of each month, Franchisee shall furnish to Franchisor, an accurate accounting of the expenditures on local advertising for the preceding month just ended.

9.1.2 Franchisee shall submit to Franchisor, for its prior approval, all sales or promotional materials and advertising to be used by Franchisee including, but not limited to coupons, flyers, local newspapers, radio and direct mail advertising. Franchisor shall use reasonable efforts to provide notice of approval or disapproval within fifteen (15) days from the date all requested material is received by Franchisor. In the event Franchisor does not disapprove said materials within fifteen (15) days, such promotional materials and/or advertising shall be deemed to have been approved. Social media posts and other high frequency advertising content that complies with our brand requirements and guidelines do not require approval before distribution; however we reserve the right to request removal of content we deem to be inappropriate and/or non-compliant.

9.1.3 Franchisee shall, to the extent possible, conduct local advertising, marketing and other promotional activities only within the Territory defined in Exhibit A. While

Franchisor recognizes that such activities are not necessarily territory-specific, under no circumstances shall Franchisee conduct advertising and promotion activities specific to areas outside of the Franchise Territory, whether it is owned by another Franchisee or not.

9.2. Marketing Fee

Franchisee shall pay to the CRITERIUM Marketing Fund for the Marketing Fee as set forth in Section 3.3. From the Marketing Fees received by Franchisor from Franchisee and other CRITERIUM franchisees, Franchisor shall direct the national and/or regional advertising, public relations and sales promotion activities, other marketing and promotional programs of the System in such media, nature and amount as the Leadership Team of Franchisor shall be entitled to determine.

9.2.1 Franchisor shall oversee all advertising programs and shall be entitled to determine the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisor cannot and does not ensure that any particular franchisee will benefit directly or pro rata from the placement of systemwide advertising.

9.2.2 Franchisor shall be entitled to use Franchisee's contribution to meet any and all costs incurred by Franchisor of producing, maintaining, administering and directing client advertising (including, without limitation, the cost of preparing and conducting television, radio, Internet, magazine and newspaper advertising campaigns and other public relations activities developing and/or hosting an Internet web page or site and similar activities; employing advertising agencies to assist therein; and providing promotional brochures and other marketing materials to franchisees in the program). All sums paid by Franchisee to the Marketing Fund shall be maintained in a separate account from the other monies of Franchisor and shall not be used to defray any of Franchisor's general operating expenses, except for such reasonable administrative costs and overhead, if any, as Franchisor may incur in activities reasonably related to the administration or direction of advertising programs including, without limitation, conducting market research, preparing marketing and advertising materials and collecting and accounting for assessments.

9.2.3 Each Criterium Engineers franchised business operated by Franchisor, or any Franchisor Subsidiary, shall make contributions to the Marketing Fund equivalent to the contributions required of each of the other franchisees.

9.2.4 Although Franchisor intends the Marketing Fees to be of perpetual duration, Franchisor maintains the right to terminate the Marketing Fund. The Marketing Fund shall not be terminated, however, until all monies have been expended for advertising and promotional purposes or returned to the franchisees on a pro-rata basis.

9.2.5 An accounting of the operation of the Marketing Fund shall be prepared annually and shall be made available to Franchisee upon request. Franchisor reserves the right, at its option, to require that such annual accounting include an audit of the operation of the

Marketing Fund prepared by a certified public accountant selected by Franchisor and prepared at the expense of the Marketing Fund.

9.2.6 Franchisee understands and acknowledges that the Marketing Fund is not a trust and that Franchisor assumes no fiduciary duty in administering the Marketing Fees.

9.3. Cooperative Marketing and Promotion

Although not obligated to do so, Franchisor may create a Cooperative Marketing program for the benefit of the Franchised Businesses located within a particular region. Franchisor has the right to (i) allocate any portion of the Marketing Fees to the Cooperative Marketing program; and (ii) collect and designate all or a portion of the Local Marketing for a Cooperative Marketing program. Franchisor has the right to determine the composition of all geographic territories and market areas for the implementation of Cooperative Marketing and to require that Franchisee participate in such Cooperative Marketing programs when established. Franchisor reserves the right to establish a marketing cooperative for a particular region to enable the cooperative to self-administer the Cooperative Marketing program, and Franchisee agrees to participate in such cooperative according to the cooperative's then-current rules and procedures and to abide by the cooperative's then-current decisions.

9.4. Grand Opening Advertising

Currently, Franchisor does not require Franchisee to spend any money on advertising associated with a grand opening of the Franchised Business, however, Franchisor reserves the right to do so.

9.5. Internet Directory Advertising

Franchisee shall 1) list and advertise its telephone number and website URL 2) maintain its website with human generated content, 3) Maintain your Google Business Profile (created by Franchisor) and respond to online reviews, 4) Create and maintain a LinkedIn personal page AND create and maintain a company page within one (1) year of the date of the Franchise Agreement, 5) establish and regularly distribute content through an electronic newsletter service like Constant Contact, and other online options which the Franchisor specifies which cover your Territory under the categories of the Franchised Business and under such other names as Franchisor may designate using advertisements which Franchisor approves in advance.

9.6. Internet Marketing

Franchisee shall not establish an Internet site using a domain name or uniform resource locator containing the word "CRITERIUM," any of the marks or any variation thereof without prior written consent from Franchisor. Franchisor retains the sole right to advertise on the Internet, including all use of websites, domain names, URL's, linking, advertising, public/social media and/or networking pages and groups (i.e. Facebook, LinkedIn) and their associated URLs, and co-branding arrangements (collectively, the "Franchisor's Web Presence"). Franchisee acknowledges that as between Franchisor and Franchisee, Franchisor is

the owner of all right, title, and interest in and to Franchisor's Web Presence as Franchisor may designate in the Manual. Franchisee may not 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, without Franchisor's prior review and written approval. Franchisor will provide Franchisee with guidelines for establishing websites and public/social media pages or groups and their associated URLs (such as Facebook or LinkedIn), and Franchisee must obtain Franchisor's approval prior to use. Any deviations from such guidelines shall be approved by Franchisor in writing prior to use. Franchisee is not permitted to maintain any website, public/social media page or group or an associated URL (such as Facebook or LinkedIn), in connection with the operation of the Franchised Business without Franchisor's prior written approval. Franchisee will provide Franchisor content for Franchisor's Internet marketing, subject to Franchisor's approval. Franchisor retains the right to approve any linking or other use of Franchisor's website.

10. **TECHNOLOGY**

Recognizing the value in maintaining, updating/upgrading, and adding required business tools and systems which help franchisees run the Franchised Business more effectively and efficiently and keep pace competitively, Franchisee agrees as follows:

10.1 Technology Fee

CRITERIUM charges a technology fee, as set forth in Section 3.4. From the Technology Fees received by Franchisor from Franchisee and other CRITERIUM franchisees, Franchisor shall direct the technology advancements necessary for maintenance and expansion of the System in whatever nature and amount as the Leadership Team of Franchisor shall be entitled to determine.

10.1.1 Franchisor shall oversee all technology programs and shall be entitled to determine the concepts, hardware and software used in such programs.

10.1.1.1 Franchisor makes no representation concerning and expressly disclaims any liability arising out of or in connection with, the technology programs, services or products furnished by Franchisor or any supplier approved or designated by Franchisor. Franchisor's approval or consent to any services, goods, suppliers, or any other individual, entity or any item shall not create any liability to Franchisor.

10.1.2 Franchisor shall be entitled to use Franchisee's contribution to meet any and all costs incurred by Franchisor of developing, adding, upgrading, maintaining, administering and directing technology (including, without limitation, the cost of franchisee website hosting and maintenance, report writing software, communications forum, Learning and Performance Management Systems (LMS), accounting software, client Customer Relationship Management (CRM) solution, and project management tools). Fees collected shall not be used to defray any of Franchisor's general operating expenses, except for such reasonable administrative costs and overhead, if any, as Franchisor may incur in activities

reasonably related to the administration or direction of technology programs including, without limitation, IT helpdesk and ongoing IT and software support.

10.1.3 Each Criterium Engineers franchised business operated by Franchisor, or any Franchisor Subsidiary, shall make technology contributions equivalent to the contributions required of each of the other franchisees.

10.1.4 Although Franchisor intends the Technology Fees to be of perpetual duration, Franchisor maintains the right to terminate collection of Technology Fees, in which case, all collected monies will be expended for technology purposes or returned to the franchisees on a pro rata basis.

10.1.5 An accounting of the Technology Fees shall be prepared annually and shall be made available to Franchisee upon request. Franchisor reserves the right, at its option, to require that such annual accounting include an audit of the fees, prepared by a certified public accountant selected by Franchisor, and the expense deducted from the fees collected.

10.1.6 Franchisee understands and acknowledges that the Technology Fees are not held in a trust and that Franchisor assumes no fiduciary duty in administering their use.

11. ACCOUNTING RECORDS AND REPORTING OBLIGATIONS

In addition to the following, Franchisee shall maintain and/or submit to Franchisor other records, periodic reports, and forms, as required by, in the manner, and at the time specified in the Manuals.

11.1. Requirement to Maintain

During the term of this Agreement, Franchisee shall maintain and preserve for the time period specified in the Manual, full, complete, and accurate books, records, and accounts in accordance with the standard accounting system prescribed by Franchisor in the Manual or otherwise in writing. Franchisee shall retain during the term of this Agreement and for three (3) years thereafter, or such lengthier period of time as may be required by law, all books and records related to the Franchised Business including, without limitation, consulting engineering project files, sales invoices, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, cash receipts and disbursement journals, general ledgers and any other financial or other records designated by Franchisor or as required by law.

11.2. Sales Reports

Franchisee shall submit to Franchisor, on or before the tenth (10^{th}) day of each month, a record of all Gross Receipts and credits made during the previous month in a form approved by Franchisor. This form shall include, without limitation, the following information, which Franchisor shall be entitled to change from time to time: the individual client for whom services were provided, type of service provided, date of service or billing, billed amount, date of

payment, and Gross Receipts. The fee payments set forth in Sections 3.2 and 3.3, based on the Gross Receipts reported in the statement so submitted shall accompany the report. In the event Franchisee fails to tender the fees calculated in accordance with Sections 3.2 and 3.3 above when due, then, in addition to all other rights contained in this Agreement, including termination, Franchisor shall charge interest on the unpaid fees at a rate of eighteen percent (18%) per annum until the fees outstanding are paid in full.

11.3. Annual Financial Reports

Additionally, Franchisee shall submit to Franchisor within sixty (60) days of the end of each fiscal year during the term of this Agreement, an income statement for the fiscal year ended and a balance sheet as of the last day of the fiscal year. Such financial statements shall be prepared in accordance with generally accepted accounting principles and reviewed or audited by a certified public accountant. Franchisee shall submit to Franchisor other periodic reports, forms, and records, in the manner and at the time specified in the Manual.

11.4. Income Tax Returns

In addition to the information submitted by the Franchisee in accordance with Section 10.3, Franchisee shall deliver to Franchisor copies of the federal income tax returns within ten (l0) days of their filing with the appropriate agencies. Payment of all taxes shall be the sole responsibility of Franchisee.

11.5. Computer System

Franchisee shall utilize such accounting system and software program(s) as Franchisor may prescribe. Franchisor has the right to access all of Franchisee's computer data, computer system, and related information by means of direct access either in person and/or by remote cloud-based secure link or computer software program intended for sharing access.

11.6. Right of Franchisor to Perform Inspection

Franchisor shall have the right, during normal business hours, to examine, copy and/or audit the books and records, including tax returns of Franchisee. If the audit or any other inspection should reveal that any payments to Franchisor have been underpaid, then Franchisee shall immediately pay to Franchisor the amount of the underpayment plus interest from the date such amount was due until paid, at the rate of eighteen percent (18%) per annum. Furthermore, if the inspection discloses an underpayment of five percent (5%) or more of the amount due for any period covered by the audit, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and legal fees). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

11.7. Late Report Fee

Franchisee acknowledges that late delivery of reports, documentation, statements and/or records that may be required by Franchisor in this Agreement or in the Manual, may result in increased administrative costs for Franchisor. Accordingly, Franchisee agrees to pay,

upon demand, a late report fee in the amount of $100.00 per late delivery if Franchisee fails to deliver such documentation, statements and/or records when due.

12. **OPERATING STANDARDS**

12.1. General Operation

Franchisee will use the Marks and the System in strict compliance with the standards, procedures, specifications, and requirements which are required of all Franchisor's franchisees.

12.2. Authorized Products and Services

Franchisee shall offer for sale at the Franchised Business only those services and other items that Franchisor approves and shall not offer for sale or sell or provide through the Franchised Business any services which Franchisor has not approved.

12.3. Approved Suppliers

12.3.1 All other items used in the operation of the Franchised Business including, without limitation, stationery and other printed items, shall comply with Franchisor's specifications and quality standards and, if required by Franchisor, shall be purchased only from "approved suppliers" that Franchisor designates or approves (which might include Franchisor or its Franchisor Subsidiary[ies])(the "Approved Suppliers"). Franchisor shall provide Franchisee, in the Manual or other written or electronic form, with a list of items and, if required, a list of Approved Suppliers for some or all of these items and shall from time-to-time issue revisions thereto. Upon Franchisor's request, or if Franchisee desires to use any item in operating the Franchised Business that Franchisor has not approved (for items or services that required supplier approval), Franchisee shall first send Franchisor sufficient information, specifications and/or samples for Franchisor to determine whether the item or service complies with its standards and specifications or the supplier meets its approved supplier criteria. Franchisor may charge, upon ten (10) day advance review and determination to Franchisee thereof, a reasonable fee for inspection and/or testing, not to exceed ONE THOUSAND DOLLARS ($1,000.00), and will decide within a reasonable time after receiving the required information whether Franchisee may purchase or lease such items or services from such supplier.

12.3.2 Notwithstanding anything contrary in this Agreement, Franchisor reserves the right to review from time to time its approval of any items or suppliers. Franchisee acknowledges and agrees that Franchisor shall be entitled to revoke its approval of any item or supplier at any time by notifying Franchisee and/or the supplier. Franchisee agrees, at its own expense, to promptly cease using, selling, or providing any items disapproved by Franchisor and to promptly cease purchasing from suppliers which Franchisor disapproves.

12.4. Supervision

The Franchised Business shall, at all times, be under the direct full-time supervision of Franchisee (or a Designated Manager if Franchisee is a corporation, limited liability company, or partnership). Full-time means the expenditure of at least thirty-five (35) hours per week, excluding vacation, sick leave, etc. In the event Franchisee operates one (1) or more additional Franchised Business(es), at least one (1) trained and competent employee shall act as the Designated Manager for each Franchised Business. Franchisee shall keep Franchisor informed, in writing, at all times of the identity of all Designated Manager(s). To the extent that Franchisor can reasonably accommodate any replacement Designated Manager(s) in the initial training program described in Section 8.1, Franchisor shall make training available at its then-current rates as published in the Manual. In no event, however, shall Franchisor be under any obligation to provide training to any replacement Designated Manager(s) free of charge.

12.5. Operating Costs and Permits

12.5.1 Franchisee shall promptly pay when due all taxes and assessments against the premises or the equipment used in connection with Franchisee's business, and all other indebtedness or expense of every kind incurred by Franchisee in the conduct of said business, including without limitation, taxes, insurance, payroll, advertising, rent, telephone and equipment.

12.5.2 Franchisee shall comply with all federal, state, and local laws and regulations, and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the engineering office. Franchisee (or its principal owner) shall at all times be a qualified and licensed professional engineer or architect in good standing or, where legally permitted to do so, a licensed professional engineer must hold the specific ownership and/or management position(s) required by the state within the Territory specified in Section 2.1 and Exhibit A. Engineering firms are required to form under specific corporate structures in many states. Engineering firms must generally register with the secretary of state to do business and obtain a Certificate of Authority from the Board of Professional Engineers. You will need to establish a fictitious name (d/b/a) for use of your Criterium company name.

12.6. Notification of Proceedings

Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any demand, order, writ, injunction, award or decree of any court, agency (including but not limited to any state or federal tax agency) or other governmental instrumentality, including action against professional services/credentials of Franchisee, Designated Manager or any other employee associated with Franchisee, which may adversely affect the operation or financial condition of the Franchised Business. Failure to notify in a timely manner as specified by this paragraph shall be grounds for immediate termination of this Agreement.

12.7. Compliance with Good Business Practices

The following standards are provided to protect Franchisor's brand and the Marks and not to control the day-to-day operation of the Franchised Business.

12.7.1 Franchisee acknowledges that each and every detail of the quality of customer service and demeanor of Franchisee's employees, and services offered for sale by Franchisee is important to Franchisor and to other Criterium Engineers franchised business. To this end, Franchisee shall endeavor to maintain high standards of quality and service. Franchisee shall in all dealings with its customers, vendors, and the general public adhere to the highest standards of honesty, fair dealing, moral and ethical conduct.

12.7.2 Franchisee shall furnish, equip and maintain the office so as to present the proper businesslike appearance and in accordance with Franchisor's requirements as specified in its Manuals, which office shall not, after 120 days from the date of this Agreement, be located in any private dwelling or residence (except in Kentucky where home offices are prohibited for any period of time).

12.7.3 Franchisee shall adequately staff the office to enable Franchisee to efficiently conduct the Franchised Business in the Territory and to achieve and develop to the greatest extent possible the Franchised Business in the Territory.

12.7.4 Franchisee will have sole authority and control over the day-to-day operations of the Franchised Business and its employees. Franchisee will be solely responsible for recruiting and hiring the persons it employs to operate the Franchised Business. Franchisee will also be responsible for their training, wages, taxes, benefits, safety, work schedules, work conditions, assignments, discipline, and termination and for compliance with all workplace related laws. At no time will Franchisee or its employees be deemed to be employees of Franchisor or Franchisor's affiliates. Franchisor has no right or obligation to direct Franchisees employees or to operate the Franchised Business.

12.7.5 Franchisee shall cause the complete effort of the office to be devoted to the development of the Criterium program and the Franchised Business as it exists at the time of the execution of this Agreement and as it may be developed and expanded during the course of the existence of this Agreement, and use the office (including but not limited to its hardware, software and other physical assets) for no other purpose whatsoever, without the written approval of Franchisor being first obtained.

13. FRANCHISOR'S ONGOING OPERATIONS ASSISTANCE

13.1. General Advice and Guidance

From time to time, Franchisor may advise and offer general guidance to Franchisee by telephone, electronic mail, newsletters, and other methods. Such guidance shall be based on

the experience of Franchisor and gleaned from other franchisees in operating the Franchised Business.

13.2. Periodic Visits

Franchisor or Franchisor's representative may make periodic visits to the Franchised Business, at the Franchisor's expense, for the purposes of consultation, assistance and guidance of Franchisee in various aspects of the operation and management of the Franchised Business. Franchisor and Franchisor's representatives who visit the Franchised Business may prepare, for the benefit of both Franchisor and Franchisee, written reports with respect to such visits outlining any suggested changes or improvements in the operations of the Franchised Business and detailing any defaults in such operations which become evident as a result of any such visit. A copy of any such written report may be provided to Franchisee.

13.3. Advertising and Promotional Materials

Franchisor shall provide Franchisee with an initial supply of printed and promotional materials for the operation of the Franchised Business licensed herein. A list of the materials to be supplied is provided in Exhibit H.

13.4. Bookkeeping

Franchisor shall direct Franchisee to procure a bookkeeping system and to record revenue and expenses on forms similar to or compatible with those employed by other franchisees, and Franchisee agrees to employ the bookkeeping system in order to generate the reports required by this Agreement.

13.5. System Improvements

Franchisor will communicate improvements in the System to Franchisee as such improvements may be developed or acquired by Franchisor and implemented as part of the System.

14. INSURANCE

14.1. Types and Amounts of Coverage

Franchisee shall procure, at its sole expense, and maintain in full force and effect during the term of this Agreement any and all insurance coverage that is required by Franchisor in its Manual and related coverage minimums and types of coverage. All such insurance must name Franchisor as additional insured and/or loss payee, in addition to any other insurance that may be required by applicable law, any lender or lessor.

14.2. Carrier Standards

Such policy or policies shall be written by an insurance company licensed in the state in which Franchisee operates and having at least an "A" Rating Classification as indicated in

A.M. Best's Key Rating Guide in accordance with standards and specifications set forth in the Manual.

14.3. Evidence of Coverage

Franchisee's obligation to obtain and maintain the foregoing policy or policies shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 19 of this Agreement. Franchisee agrees to provide annually, within thirty (30) days of their renewal, certificates of insurance showing compliance with the foregoing requirements. Such certificate shall state that said policy or policies shall not be canceled or altered without at least thirty (30) days prior written notice to Franchisor and shall reflect proof of payment of premiums.

14.4. Failure to Maintain Coverage

Should Franchisee, for any reason, not procure and maintain such insurance coverage as required by this Agreement, Franchisee acknowledges the liability and risk imposed upon Franchisor and Franchisee by such lack of coverage and, therefore, grants Franchisor the right and authority (without, however, any obligation to do so) to immediately procure such insurance coverage and to charge same to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, shall be payable by Franchisee immediately upon notice.

15. **FRANCHISE SYSTEM**

15.1. Uniformity

Franchisee shall comply with all requirements set forth in this Agreement, the Manual, and other written policies supplied to Franchisee by Franchisor. Franchisee shall comply with all such mandatory specifications, standards and operating procedures and rules including, but not limited to, the provisions of this Section 15.

15.2. Modification of the System

Franchisee recognizes that from time-to-time hereafter, Franchisor may make changes or upgrades to the System including, without limitation, the adoption and use of new or modified Marks or copyrighted materials, new computer hardware and software, equipment, or techniques. Franchisee agrees to make such changes at Franchisee's expense and to conform to changes, developments and upgrades; provided, however, that Franchisee shall not be required to make an additional investment of more than TEN THOUSAND DOLLARS ($10,000.00) (which amount may be increased consistent with increases to the Consumer Price Index, as published by the United States Department of Labor, Bureau of Labor Statistics "CPI") during the first five years of the initial ten (10) year term. Franchisor will use its best efforts to provide Franchisee with at least ninety (90) day's notice of changes or upgrades to the System which require an additional investment but reserves the right to provide even a shorter notice. No additional investment will be required during the first year of the initial term; if it is required to be made within the last year

of the initial term or the last year of any renewal term, the Franchisee may avoid making the investment by providing notice of its intent not to renew this Agreement.

15.3. Variance

Franchisee acknowledges that because complete and detailed uniformity under varying conditions may not be possible or practical, Franchisor shall be entitled to vary standards for Franchisee and any other franchisee based upon the peculiarities of the particular site or circumstance, population of trade area, density of population, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of any particular Franchised Business. Franchisee shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation hereunder. Franchisee acknowledges that the implementation or variance of standards with respect to other franchisees shall not afford a basis for a claim or suit by Franchisee.

16. DEFAULT AND TERMINATION

16.1. Termination By Franchisee

(a) With Cause - If Franchisee is in substantial compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure such breach within a reasonable time after written notice thereof is delivered to Franchisor, Franchisee may terminate this Agreement unless the breach cannot reasonably be cured within thirty (30) days. In the case where the breach cannot reasonably be cured within thirty (30) days, Franchisee will have the right to terminate this Agreement if, after receipt of a written notice of default, Franchisor does not promptly undertake and continue efforts to cure such material breach within a reasonable period of time and furnish Franchisee reasonable proof of such efforts. To terminate this Agreement under this Paragraph, Franchisee must provide a separate written notice of termination, which will be effective no less than thirty (30) days after delivery of such notice to Franchisor.

(b) Without Cause - Franchisee may terminate this Agreement at any time, without cause, provided that: (A) Franchisee is in good standing with regard to all obligations to Franchisor; (B) Franchisee agrees to comply with Section 17 of this Agreement; and (C) Franchisee executes Franchisor's then existing general release, which shall be a form substantially similar to the one attached to this Agreement as Exhibit F. Should Franchisee desire to remain in business in a manner that is deemed by the Franchisor to be similar to the Franchised Business, then (B) above shall be modified in the following manner;

(1) if Franchisee pays a Royalty Fee of less than 4%, Franchisee shall pay to Franchisor a fee equal to 2 times the Royalty Fee of the average of the last 6 month's Gross Receipts times 4% times three (3) years as compensation for termination, and shall no longer be bound by the provisions set forth in Sections 17.2.1, 17.1.8, and the portion of 17.1.7 relating to the Franchisee's telephone number which shall then remain in the possession of the Franchisee. However, if Franchisee is not meeting the Minimum Gross Receipts, then the termination fee will be three times the annualized

Royalty Fee or the annualized Royalty Fee based upon the Minimum Gross Receipts, whichever is greater. All other conditions of Section 17 shall remain in force, or,

(2) if Franchisee pays a royalty equal to, or more than, 4% or greater, Franchisee shall pay to Franchisor a fee equal to three (3) times the annualized average Royalty Fee for the last six (6) months, or $10,000, whichever is greater, as compensation for termination, and shall no longer be bound by the provisions as set forth in Sections 17.2.1, 17.1.8, and the portion of 17.1.7 relating to the Franchisee's telephone number which shall then remain in the possession of the Franchisee. However, if Franchisee is not meeting the Minimum Gross Receipts, then the termination fee will be three times the annualized Royalty Fee or the annualized Royalty Fee based upon the Minimum Gross Receipts, whichever is greater. All other conditions of Section 17 shall remain in force.

(c) Otherwise Not Permitted - The Franchisee shall have no right to terminate this Agreement on any basis other than as is set out in this Section. Any attempt by Franchisee to terminate the Franchise Agreement on grounds not constituting good cause, other than as stated above, or without complying with the conditions outlined above, shall be void. In the event of termination by Franchisee, Franchisee is not entitled to a refund of any fees or other monies paid to Franchisor.

16.2. Termination By Franchisor

16.2.1 This Agreement shall, at the option of Franchisor, terminate without notice of termination, or if notice is required by applicable law, the minimum notice period required by such law, if Franchisee:

16.2.1.1 Fails to satisfactorily complete the initial training program as provided in Section 8 of this Agreement;

16.2.1.2 Has made any material misrepresentation or omission in the application for the franchise;

16.2.1.3 Is indicted on, charged with, convicted of an indictable offense that is likely to adversely affect the reputation of Franchisor, Franchisee or the Franchised Business; failure to adhere to the code of Ethics of the National Society of Professional Engineers (NSPE) and any code of ethics promulgated to the licensing and regulating body for professional engineering in the applicable state;

16.2.1.4 Makes any unauthorized use, disclosure, or duplication of any portion of the Manual or duplicates or discloses or makes any unauthorized use of any Confidential Information provided to Franchisee;

16.2.1.5 Abandons, fails or refuses to actively operate the Franchised Business for five (5) or more consecutive days, unless the Franchised Business has

not been operational for a purpose approved by Franchisor (including without limitation a reasonable vacation);

16.2.1.6 Surrenders or transfers control of the operation of the Franchised Business, makes or attempts to make an unauthorized direct or indirect assignment of the franchise or an ownership interest in Franchisee, or fails or refuses to assign the franchise or the interest in Franchisee of a deceased or incapacitated controlling owner thereof as herein required;

16.2.1.7 Submits to Franchisor on two (2) or more separate occasions at any time during the term of the franchise any reports or other data, information or supporting records which understate the Royalty Fee payments and any fees or payments owed to Franchisor by more than five percent (5%) for any accounting period, and Franchisee is unable to demonstrate that such understatements resulted from inadvertent error;

16.2.1.8 Or the Franchised Business is declared or judicially determined to be insolvent or Franchisee commits an act of bankruptcy or all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or Franchisee admits its inability to pay its debts as they become due, or a liquidator, trustee in bankruptcy, custodian appointed temporarily or permanently, either privately or by a court of competent authority for or over the Franchise Business: or the Franchised Business is seized taken over or foreclosed by a governmental official in the exercise of its duties, or seized, taken over or foreclosed by a creditor lien holder or lessor, a final judgment against Franchisee remains unsatisfied for thirty (30) days or a levy of execution has been made upon the Franchised Business granted by this Agreement or upon any property used in the Franchise business and it is not discharged within five (5) days of such levy; or a bankruptcy order is made against Franchisee under the Bankruptcy and Insolvency Act (including any successor legislation);

16.2.1.9 Materially misuses or makes an unauthorized use of any of the Marks or commits any other act which can reasonably be expected to materially impair the goodwill associated with any of the Marks;

16.2.1.10 Fails on two (2) or more separate occasions within any period of twelve (12) consecutive months to submit reports or other information or supporting records when due, to pay Royalty Fees, Marketing Fees, amounts due for purchases from Franchisor or other payments when due to Franchisor, or otherwise fails to comply with this Agreement, whether or not such failures to comply are corrected after notice is delivered to Franchisee;

16.2.1.11 Within ten (10) days of receipt of notice of non-compliance, fails to obtain or maintain such permits, certificates, or licenses necessary for the proper conduct of the Franchised Business; or

16.2.1.12 Fails to attain the Minimum Gross Receipts set forth in Section 2.2. In the event that Franchisee fails to attain the Minimum Gross Receipts set forth in Section 2.2 for any twelve (12) consecutive month period commencing after the end of the first 12 months, Franchisor shall be entitled to: (1) terminate this Agreement; or (2) make the Territory a non-exclusive one; or (3) reconfigure and reduce the size of the Territory.

Except as otherwise provided in Section 15.1 of this Agreement, upon any other default by Franchisee, Franchisor may terminate this Agreement only by giving written notice of termination (in the manner set forth under Section 20.2 hereof) stating the nature of such default to Franchisee at least thirty (30) days prior to the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to Franchisor's satisfaction, and by promptly providing proof thereof to Franchisor within the thirty (30) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require.

16.3. Reinstatement and Extension

To the extent that the provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation, non-renewal or the like, other than in accordance with applicable law, to the extent such are not in accordance with applicable law, Franchisor may reinstate or extend the term for the purpose of complying with applicable law by submitting a written notice to Franchisee without waiving any of Franchisor's rights under this Agreement.

17. FRANCHISEE'S OBLIGATION UPON EXPIRATION OR TERMINATION

17.1. Post-Term Duties

Upon termination or expiration, this Agreement and all rights granted hereunder to Franchisee shall terminate and Franchisee will:

17.1.1 cease to operate the Franchised Business under this Agreement and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former Franchisee of Franchisor;

17.1.2 cease to use the Confidential Information, the System, the Marks and any distinctive forms, slogans, signs, symbols, logos, or devices associated with the Marks or System. In particular, Franchisee shall cease to use, without limitation, all signs, advertising materials, stationery, forms, and any other article which displays the Marks;

17.1.3 assign to Franchisor any assumed name or equivalent registration filed with state, city, or county authorities which contains the name “CRITERIUM” or any of the Marks;

17.1.4 pay all sums owing to Franchisor which may include, but not be limited to, all damages, costs and expenses, including reasonable legal fees and unpaid Royalty Fee payments;

17.1.5 pay to Franchisor all damages, costs, and expenses, including reasonable legal fees, incurred by Franchisor subsequent to the termination or expiration of the franchise in obtaining injunctive or other relief for the enforcement of any provisions of this;

17.1.6 immediately return the Manual and all other records, files, instructions, brochures, agreements, disclosure statements, report templates and any and all other materials provided by Franchisor to Franchisee or developed by Franchisee relating to the operation of the Franchised Business (all of which are acknowledged to be Franchisor’s property);

17.1.7 assign to Franchisor, at Franchisor’s option, all telephone numbers, domain names, and e-mail addresses (and associated listings) for the Franchised Business;

17.1.8 turn over to Franchisor or its designee upon request a complete list of names, addresses, telephone numbers, and e-mail addresses of all of Franchisee's customers for the two-year period prior to the date of termination together with Franchisee's customer record files; and

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

17.1.10 Franchisee further agrees that upon termination or expiration of the Agreement, Franchisee will take all such action as may be required to cancel all assumed name or equivalent registrations relating to his use of any Marks and to notify the telephone company and all listing agencies (including but not limited to professional and service association listings) of the termination or expiration of Franchisee's right to use any telephone number and any classified and other telephone directory listings associated with any Marks or Franchisee’s office and to authorize transfer of same to Franchisor. Likewise, Franchisee shall immediately take all such action as may be required to cancel use of any email address(es), website(s) and/or domain name(s), and listing(s) of the same used, directly or indirectly, in association with any Marks or Franchisee’s office and to authorize the transfer of same to Franchisor. Franchisee acknowledges that as between Franchisor and Franchisee, Franchisor has the sole right to and interest in all telephone numbers and directory listings associated with any Marks or Franchisee's office and Franchisee authorizes Franchisor, and hereby appoints Franchisor his attorney in fact, to direct the telephone company and all listing agencies to transfer same to Franchisor, should Franchisee fail to refuse to do so, and the telephone

company and all listing agencies may accept such direction of this Agreement as conclusive of the exclusive rights of Franchisor in such telephone numbers and directory listings and its authority to direct their transfer. Further, Franchisee acknowledges that as between Franchisor and Franchisee, Franchisor has the sole right to and interest in all email address(es), domain name(s), website(s) and the contents of any website(s) associated with any of the Marks or Franchisee's office and Franchisee authorizes Franchisor, and hereby appoints Franchisor his attorney in fact, to direct the provider of Franchisee's email address(es), domain name(s) and/or website(s) and all listing agencies of the same, to transfer same to Franchisor, should Franchisee fail to refuse to do so, and the providers and all listing agencies may accept such direction of this Agreement as conclusive of the exclusive rights of Franchisor in such email address(es), domain name(s) and/or website(s) and directory listing(s) and its authority to direct their transfer.

17.2. Post-Term Covenant Not to Compete

Franchisee covenants that, except as otherwise approved in writing by Franchisor, Franchisee and any Franchise Affiliates shall not, for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly, for itself or through, on behalf of or in conjunction with any person, persons, partnership, corporation, limited liability company or other entity:

17.2.1 Own an interest in, manage, operate, and act as a consultant with respect to the management or operation of any Competitive Business within a radius of fifty (50) miles of Territory specified in this Agreement; or

17.2.2 Have any direct or indirect ownership interest in any entity which has granted or grants franchises for the operation of a Competitive Business within fifty (50) miles of the Territory or within ten (10) miles of the Territory of any other Criterium Engineers Franchised Business.

Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable, then it shall be amended to provide for limitations upon post-term competition to the maximum extent provided and permitted by law. The running of any period of time specified in this Section shall be tolled and suspended for any period of time in which the Franchisee is found by a court of competent jurisdiction to have been in violation of this restrictive covenant. Franchisor shall be entitled to revise any of the covenants in this Section so as to reduce the obligations of Franchisee hereunder. Franchisee further expressly agrees that the existence of any claim it may have against Franchisor whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

17.3. Injunctive Relief

As Franchisee acknowledges that breach of any of the covenants contained in this Section may result in irreparable or incalculable injury to Franchisor, that, in addition to all other remedies provided by law or in equity, Franchisor may accordingly seek an injunction against any such breach, whether actual or contemplated.

17.4. If Franchisee Starts Another Business

In the event Franchisee continues to operate or subsequently begins to operate any other business, Franchisee shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks, the System or the trade dress, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute Franchisor's rights in the Marks. This Section 17.4 is not intended as an approval of Franchisee's right to operate other businesses, and in no way is it intended to contradict Section 17.2 of this Agreement. Franchisee shall not utilize any designation of origin, or description or representation which falsely suggests or represents an association or connection with Franchisor so as to constitute unfair competition.

17.5. Franchisor's Option to Purchase Certain Assets

Franchisor shall have the right (but not the duty) within thirty (30) days after termination or expiration, to purchase any assets of the Franchised Business containing the Marks. Such assets may include leasehold improvements, equipment, supplies, paper goods, stationery, and advertising materials. The purchase price shall be Franchisee's cost or fair market value, whichever is less. Franchisor shall have the right to offset all amounts due from Franchisee.

17.6. Survival of Certain Provisions

All obligations of Franchisor and Franchisee which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire.

18. TRANSFERABILITY OF INTEREST

18.1. By Franchisor

This Agreement and all rights hereunder can be assigned and transferred by Franchisor and, if so, shall be binding upon and inure to the benefit of Franchisor's successors and assigns; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall assume the obligations of Franchisor hereunder.

18.2. By Franchisee to a Third Party

The rights and duties of Franchisee as set forth in this Agreement, and the franchise herein granted, are personal to Franchisee, and Franchisor has agreed to enter into this contract with Franchisee in reliance upon Franchisee's personal skill and financial ability. Accordingly, neither Franchisee nor any successor of Franchisee, either immediate or remote, to any part of Franchisee's interest in this Agreement may sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this Agreement or in the franchise granted hereby. Any purported assignment or transfer, whether by operation of law or otherwise, or encumbrance of all or any part of Franchisee's rights under this Agreement, or of all or any part of the ownership interests in Franchisee, or of all or any part of the operating control of Franchisee, or of fifteen percent (15%) or more of the assets used in the operation of the Franchised Business, shall be null and void and shall constitute a material breach of this Agreement, for which breach Franchisor may then terminate this Agreement without notice or opportunity to cure, unless such assignment, transfer or encumbrance has the prior written consent of Franchisor. If Franchisee desires to sell or transfer any rights or assets described in the preceding sentence to any transferee, Franchisee shall first obtain the written consent of Franchisor to such transaction, which consent will be conditioned upon the satisfaction of the following conditions:

18.2.1 The transferee(s) or someone in responsible charge shall be a licensed professional engineer or architect in good standing within the Territory or, where legally permitted to do so, shall at all times maintain a licensed professional engineer or architect, as an officer of the company or in responsible charge, be of good moral character and reputation, and shall have a good credit rating and competent business qualifications reasonably acceptable to Franchisor. Franchisee shall provide Franchisor with such information concerning each such proposed transferee(s). The proposed transferee shall successfully complete the Franchisor's training program.

18.2.2 All obligations owed to Franchisor and all other outstanding obligations relating to the Franchised Business shall be fully paid and satisfied.

18.2.3 Unless prohibited by the law of the state where the Franchised Business is located, Franchisee shall have executed a general release, in a form substantially similar to the one attached hereto as Exhibit F, of any and all claims against Franchisor and its officers, directors, shareholders and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of Franchisee's interest herein or to the transfer of Franchisee's ownership of all or any part of the business which operates this franchise. If a general release is prohibited, Franchisee shall give the maximum release allowed by law.

18.2.4 The transferee shall have satisfied Franchisor that it meets Franchisor's management, business, and financial standards and otherwise possesses the character and

capabilities, including business reputation and credit rating, as Franchisor may require to demonstrate ability to conduct the Franchised Business.

18.2.5 The transferee and, at Franchisor's option, all persons owning any interest in the transferee, shall execute the then-current franchise agreement offered to new franchisees which may be substantially different from this Agreement, including, without limitation, differences in Royalty Fee payments and Marketing Fees and other material provisions. The franchise agreement then executed shall be for the term specified in such Agreement.

18.2.6 Franchisee shall have provided Franchisor with a complete copy of all contracts and agreements and related documentation between Franchisee and the transferee relating to the sale or transfer of the franchise.

18.2.7 Franchisee shall have paid to Franchisor a transfer fee in the amount of twenty-five percent (25%) of the then-current initial Franchise Fee.

18.2.8 Franchisee agrees to continue to be bound to the obligations of the new Franchise Agreement and to guarantee the full performance thereof by the transferee, if required by Franchisor.

18.2.9 The transferee shall have obtained all necessary consents and approvals by third parties, and the transfer shall be made in compliance with all applicable federal, state, and local laws, rules, and ordinances.

Franchisor will not unreasonably withhold, delay or condition its consent to any proposed transfer or assignment by Franchisee to a third party, so long as the above referenced conditions have been satisfied.

18.3. Transfer by Franchisee to an Entity Controlled by Franchisee

If Franchisee wishes to transfer this Agreement or any interest therein to a corporation, limited liability company or other legal entity ("Entity") which shall be entirely owned by Franchisee, which Entity is being formed for the financial planning, tax or other convenience of Franchisee, Franchisor's consent to such transfer shall be conditioned upon the following requirements:

18.3.1 The Entity shall be newly organized, and its charter shall provide that its activities are confined exclusively to the operation of the Franchised Business.

18.3.2 Franchisee shall retain total ownership of the outstanding stock or other capital interest in the transferee Entity, and Franchisee shall act as the principal officer or officers and directors thereof.

18.3.3 All obligations of Franchisee to Franchisor or any Franchisor Subsidiary shall be fully paid and satisfied prior to Franchisor's consent; provided that Franchisee shall not be required to pay a transfer fee, as required, pursuant to Section 18.2.7 of this Agreement for any transfer under this Section 18.3.

18.3.4 The Entity assignee shall enter into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of this Franchised Business. If the consent of any other contracting party to any such agreement is required, Franchisee shall have obtained such written consent and provided the same to Franchisor prior to consent by Franchisor.

18.3.5 All owners of the stock or other ownership interest of the transferee Entity shall enter into an agreement with Franchisor, jointly and severally, guaranteeing the full payment of the Entity's obligations to Franchisor and the performance by the Entity of all the obligations of the Agreement.

18.3.6 Each stock certificate or other ownership interest certificate of the Entity shall have conspicuously endorsed upon the face thereof of a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement.

18.3.7 Copies of the transferee Entity's Articles of Incorporation, Bylaws, Operating Agreement, and other governing regulations or documents, including resolutions of the Board of Directors authorizing entry into this Agreement, shall be promptly furnished to Franchisor. Any amendment to any such documents shall also be furnished to Franchisor immediately upon adoption.

18.3.8 The term of the transferred franchise shall be the unexpired term of this Agreement.

Franchisor's consent to a transfer of any interest in this Agreement or of any ownership interest in the Franchised Business shall not constitute a waiver of any claims Franchisor may have against the transferor or the transferee, nor shall it be deemed a waiver of Franchisor's right to demand compliance with the terms of this Agreement. Franchisor will not unreasonably withhold, delay, or condition its consent to any proposed transfer or assignment by Franchisee to an entity controlled by Franchisee, so long as the above referenced conditions have been satisfied.

18.4. Death or Incapacity of Franchisee

18.4.1 If Franchisee is an individual who dies, or becomes permanently incapacitated (as evidenced by an inability to perform usual duties for a period of six consecutive months, and a person shall not be considered to have resumed his or her usual duties unless they are performed by that individual for thirty (30) consecutive days), Franchisor

shall allow the deceased's surviving spouse, heirs, or estate or the incapacitated person's legal representative, the opportunity to participate in the ownership of the franchise up to ninety (90) days after the death or incapacity of Franchisee. During such time the surviving spouse, heirs or estate or legal representative shall either (i) satisfy the then current qualifications for a purchaser of a franchise; or (ii) in accordance with the requirements of this Section, sell Franchisee's ownership interest in the franchise to a person or entity who satisfies Franchisor's then current standards for new franchisees. In the event that neither (i) nor (ii) above is satisfied within the required ninety (90) day time period, as stated in this Section 18.4.1, then this Agreement may be subject to termination pursuant to Section 16.2.1.6.

18.4.2 If Franchisee is a corporation or partnership, the death or incapacitation of a shareholder, director or officer or partner of Franchisee shall not constitute an assignment or transfer of this Agreement provided that during ninety (90) days after such death or incapacitation, the surviving spouse, heirs or estate or the incapacitated person's legal representative (i) maintains all standards of the franchise, performs all obligations of the Franchisee and satisfies the then current qualifications for a purchaser of a franchise; or (ii) in accordance with the requirements of this Section, sells such person's ownership interest in the franchise, to a person or entity who satisfies Franchisor's then current standards for new franchisees. In the event that neither (i) nor (ii) above is satisfied within the required ninety (90) day time period, as stated in this Section 18.4.2, then this Agreement may be subject to termination pursuant to Section 16.2.1.6.

18.5. Franchisor's Disclosure to Transferee

Franchisor may, without liability of any kind or nature whatsoever to Franchisee, make available for inspection by any intended transferee of Franchisee all or any part of Franchisor's records relating to this Agreement, the Franchised Business, or to the history of the relationship of the parties hereto. Franchisee hereby specifically consents to such disclosure by Franchisor and absolutely releases and agrees to hold Franchisor harmless from and against any claim, loss or injury resulting from an inspection of Franchisor's records relating to this franchise by an intended transferee identified by Franchisee.

19. RIGHT OF FIRST REFUSAL

19.1. Submission of Offer

If Franchisee or its owners propose to sell: (i) fifteen percent (15%) or more of the assets of the Franchised Business; (ii) any interest in the capital, profits or losses of the Franchise; or (iii) any ownership interest in this Agreement or the Franchise, Franchisee shall obtain and deliver a bona fide, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials to Franchisor. The offer must apply only to an approved sale of the above and may not include any other property or rights of Franchisee or its owners.

19.2. Franchisor's Right to Purchase

Franchisor shall, for thirty (30) days from the date of delivery of all such documents, have the right, exercisable by written notice to Franchisee, to purchase the same for the price and on the same terms and conditions contained in such offer or proposal to Franchisor. Franchisor may substitute cash for the fair market value of any form of payment proposed in such offer or proposal. Franchisor's credit shall be deemed equal to the credit of any proposed buyer. After providing notice to Franchisee, Franchisor shall have up to sixty (60) days to close the purchase. Franchisor shall be entitled to receive from Franchisee all customary representation and warranties given by Franchisee as the seller of the assets or such ownership interest.

19.3. Non-Exercise of Right of First Refusal

If Franchisor does not exercise this right of first refusal within thirty (30) days, the offer or proposal may be accepted by Franchisee or its owners, subject to the prior written approval by Franchisor, as provided in Section 18, of the proposed transfer. Should the sale fail to close within one hundred twenty (120) days after the offer is delivered to Franchisor, Franchisor shall again have the right of first refusal herein described. Should a transferee assume the rights and obligations under this Agreement, such transferee shall likewise be subject to Franchisor's right of first refusal under terms and conditions as set forth herein.

20. RELATIONSHIP AND INDEMNIFICATION

20.1. Independent Contractor

This Agreement does not create a fiduciary or other special relationship between the parties. No agency, employment, or partnership is created or implied by the terms of this Agreement, and Franchisee is not and shall not hold itself out as Franchisor's (or Franchisor's Affiliates) agent, legal representative, partner, subsidiary, joint venture or employee for any purpose whatsoever. Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement (nor Franchisor's course of conduct) be construed, to state or imply that Franchisor is the employer of Franchisee's employees and/or independent contractors, nor vice versa. Franchisee may not represent to third parties that Franchisee is an agent of Franchisor and it is understood between the parties hereto that Franchisee shall be an independent contractor and is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt or any other obligation of Franchisee or its employees. Franchisee specifically acknowledges that Franchisor shall in no way be responsible for any injuries to persons or property resulting from the operation of the Franchised Business. In addition, any third-party contractors and vendors retained by Franchisor to perform conversion or construction of the Authorized Location are independent contractors. During the term of this Agreement and any extension hereof, Franchisee shall hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a franchise from Franchisor. Franchisee shall prominently display in its place of business a certificate from Franchisor stating that said business is operated by Franchisee as an independent franchisee of Franchisor and not as an agent thereof.

20.2. Indemnification

Franchisee agrees to hold harmless and indemnify Franchisor and its Franchisor Subsidiaries and Franchisor's respective members, shareholders, officers, directors, employees and agents and successors or assigns (collectively "Franchisor Indemnities") from and against all losses, damages, fines, costs, expenses, lost profits, or liability (including attorneys' fees and all other costs of litigation) incurred in connection with any actual or threatened action, application, suit, demand, claim, investigation, proceeding or inquiry, or any settlement thereof which arises from or is based upon (a) Franchisee's ownership or operation of the Franchised Business; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation, rule, industry standards or professional regulatory standard, including any liability arising from labor or employment law violations; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between Franchisor or Franchisor's Subsidiaries; (d) libel, slander or other form of defamation of Franchisor or the System by Franchisee; or (e) acts, errors or omissions incurred in connection with or arising out of the Franchised Business, including any negligent or intentional acts of the Franchisee and/or its employees. In addition, Franchisee shall indemnify Franchisor for any and all other losses, damages, fines, charges, costs, expenses, lost profits, damages to Franchisor's reputation and goodwill, costs of advertising material, media time and space and substituting and replacing the same, all costs of recall, refunds, compensation, all public notices and other such amounts which may result from any of the actions, commissions or items listed in this Section.

21. GENERAL CONDITIONS AND PROVISIONS

21.1. Non-Waiver

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of either Franchisor or Franchisee in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms hereof. Waiver by Franchisor of any particular default by Franchisee shall not be binding unless in writing and executed by the party sought to be charged and shall not affect or impair Franchisor's right with respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, forbearance or omission of Franchisor to exercise any power or rights arising out of any breach or default by Franchisee of any of the terms, provisions or covenants hereof, affect or impair Franchisor's rights nor shall such constitute a waiver by Franchisor of any right hereunder or of the right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payment(s) due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants, or conditions of this Agreement.

21.2. Notices

Any and all notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day of the transmission by facsimile, telegraph or other reasonably reliable electronic communication system; (c) two (2) business days after being placed in the hands of a commercial courier service for guaranteed

overnight delivery; or (d) five (5) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified in writing. All notices, payments, and reports required by this Agreement shall be sent to Franchisor at the address below:

Franchisor:	Franchisee:
Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers Attention: David Leopold 5 Depot Street, Suite 23 Freeport, ME 04032	Name: Address: Fax:

Copy To:	Copy To:
Timothy J. Bryant, Esq. Preti Flaherty P.O. Box 9546 One City Center Portland, ME 04112-9546	Name: Address: Fax:

21.3. Cost of Enforcement or Defense

If Franchisor brings any legal action or other proceeding for the enforcement of this Agreement, or is forced to defend itself because of an alleged dispute, breach, default or misrepresentation in connection with any provisions of this Agreement, the substantially prevailing party shall be entitled to recover reasonable attorneys' fees, court costs and all expenses even if not taxable as court costs (including, without limitation, all such fees, costs and expenses incident to appeals, bankruptcy and post judgment proceedings), incurred in that action or proceeding, in addition to any other relief to which Franchisor may be entitled. Attorney's fees include paralegal fees, administrative costs, and all other charges billed by the attorney.

21.4. Approvals

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefore and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. Franchisor makes no warranties or guarantees upon which Franchisee may rely and assumes no liability or obligation to Franchisee or any third party to which it would not otherwise be subject, by

providing any waiver, approval, advice, consent or services to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefore.

21.5. Entire Agreement

This Agreement, any exhibit attached hereto and the documents referred to herein, shall be construed together and constitute the entire, full, and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and shall supersede all prior agreements. No other representation has induced Franchisee to execute this Agreement and there are no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with reference to this Agreement or otherwise. No amendment, change, or variance from this Agreement shall be binding on either party unless executed in writing by both parties. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

21.6. Severability

Each paragraph, section, part, term and/or provision of this Agreement shall be considered severable, and if, for any reason, any paragraph, section, part, term and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation, such shall not impair the operation of or affect the remaining portions, paragraphs, sections, parts, terms and/or provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid paragraphs, sections, parts, terms and/or provisions shall be deemed not part of this Agreement; provided, however, that if Franchisor determines that said finding of illegality adversely affects the basic consideration of this Agreement, Franchisor may, at its option, terminate this Agreement. Anything to the contrary herein notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee and such of their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under or by reason of this Agreement. Franchisee expressly shall be bound by any promise or covenant imposing the maximum duty permitted by law which is contained within the terms of any provision hereof, as though it were separately stated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

21.7. Construction

All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

21.8. Force Majeure

Whenever a period of time is provided in this Agreement for either party to do or perform any act or thing, except the payment of monies, neither party shall be liable or responsible for any delays due to strikes, lockouts, casualties, acts of God, war, governmental

regulation or control, epidemics, pandemics or other causes unforeseeable and beyond the reasonable control of the parties, and in any event said time period for the performance of an obligation hereunder shall be extended for the amount of time of the delay. This clause shall not apply or not result in an extension of the term of this Agreement. Provided further, that Franchisee is not entitled to any compensation for any inconvenience or nuisance or discomfort thereby occasioned, or to terminate this Agreement or to any abatement of any payments due to Franchisor under this Agreement. Without limiting the generality of the foregoing, the provisions of this Section 21.8 do not in any way operate to excuse Franchisee from the prompt payment of any fees, Royalty Fees, Marketing Fees or other sums required to be paid to Franchisor or Franchisor's Affiliates by the terms of this Agreement, or from the prompt performance of any of Franchisee's other obligations hereunder where such prompt performance is delayed, hindered or prevented by reason of lack of funds, unless agreed to and specified in writing by Franchisor.

For the avoidance of doubt, force Majeure shall not include changes in market prices or conditions.

Either party may invoke the Force Majeure process by providing to the other party written notice, identifying the event excusing performance and the anticipated duration of nonperformance.

If a force majeure event results in federal, state, or local governmental regulation or control, Franchisee shall comply will all directives. If such directives designate the Franchised Business to be an essential business, while ensuring the well-being and security of personnel, Franchisee must maintain certain essential job functions and personnel so as to conduct the Franchised Business.

Once a force majeure event has occurred, all good faith efforts shall be made to overcome the effects of the event and resume performance of the party's obligations under this Agreement.

22. **DISPUTE RESOLUTION**

22.1. Choice of Law

This Agreement and the rights of the parties will not take effect unless and until this agreement is accepted and signed by Franchisor. Except to the extent this agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Maine (without reference to its conflict of laws principles), excluding any franchise law regulating the registration, disclosure or relationship between a franchisor and franchisee, which currently exists or may be adopted by the State of Maine, shall not apply, unless the jurisdictional requirements of such laws are met independently without reference to this section. References to any law or regulation refer also to any successor laws or regulations or any published regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds in the function of such agency.

22.2. Jurisdiction and Venue

Franchisee acknowledges that this Agreement is entered into in Cumberland County, Maine, and that any action sought to be brought by either party, shall be brought in the appropriate state court located in Cumberland County, Maine or in the United States District Court located in Portland, Maine. The Parties do hereby waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. The foregoing choice of jurisdiction and venue does not preclude the bringing of any action by the parties or the enforcement by the parties of any judgment obtained in any such jurisdiction, in any other appropriate jurisdiction, or restrict the ability of the parties to confirm or enforce arbitration awards in any appropriate jurisdiction.

22.3. Cumulative Rights and Remedies

No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be in addition to every other right or remedy. Nothing herein contained shall bar Franchisor's right to obtain interim, interlocutory or final mandatory, injunctive, or other extraordinary relief against actual or threatened conduct.

22.4. Limitations of Claims

Any claim concerning the Franchised Business or this Agreement or any related agreement brought by Franchisee will be barred unless an action for a claim is commenced within one (1) year from the date on which Franchisee knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to or the claim.

22.5. No Punitive or Exemplary Damages

Franchisee and Franchisor each waive, to the fullest extent permitted by law, any right or claim for any aggravated, punitive or exemplary or moral damages against the other, and agrees that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it including reasonable accounting and/or legal fees as provided in section 20.4.

22.6. Waiver of Jury Trial

Franchisee and Franchisor each irrevocably waive trial by jury in any action or proceeding, whether at law or equity, brought by either of them.

22.7. Injunctive Relief

Franchisor may bring an action or other proceeding for interim, interlocutory, or final mandatory, injunctive or other extraordinary relief in any court having jurisdiction to enforce the Franchisor's non-competition trademark, and/or proprietary rights.

22.8. Mediation

The parties agree to attempt to resolve any dispute, claim or controversy arising out of or relating to this Agreement by non-binding mediation in Portland Maine, conducted by a single mediator, no later than ninety (90) days after the commencement of any litigation or arbitration by either party to this agreement. Either party may commence the mediation process by providing to the other party written notice, pursuant to Section 21.2 herein, setting forth the subject of the dispute, claim or controversy and the relief requested. Within ten (10) days after the receipt of the foregoing notice, the other party shall deliver a written response to the initiating party's notice. The initial mediation session shall be held within ninety (90) days after the initial notice. The parties agree to share equally the costs and expenses of the mediation (which shall not include the expenses incurred by each party for its own legal representation in connection with the mediation). The mediator shall be agreed upon by the parties within thirty (30) days after the initial notice. If the parties do not or are not able to agree upon a mediator within thirty (30) days after the initial notice, then the Franchisor shall have the right to unilaterally select the mediator.

The parties further acknowledge and agree that mediation proceedings are settlement negotiations, and that, to the extent allowed by applicable law, all offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties or their agents shall be confidential and inadmissible in any arbitration, litigation or other legal proceeding involving the parties; provided, however, that evidence which is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

23. ACKNOWLEDGMENTS

23.1. Receipt of Agreement

Franchisee represents and acknowledges that it has received, read and understood this Agreement and Franchisor's Franchise Disclosure Document; and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement.

23.2. Receipt of Uniform Franchise Disclosure Document

Franchisee acknowledges that it has received a copy of this Agreement and the attachments thereto, at least seven (7) days prior to the date on which this Agreement was executed. Franchisee further acknowledges that Franchisee has received the Franchise Disclosure Document at least fourteen (14) days prior to the date on which this Agreement was executed.

23.3. Consultation by Franchisee

Franchisee has been advised to consult with its own advisors with respect to the legal, financial, and other aspects of this Agreement, the Franchised Business franchised hereby and the prospects for that Franchised Business. Franchisee has either consulted with such advisors or has deliberately declined to do so.

23.4. Multiple Originals

In the event the parties execute multiple copies of this Agreement, each executed copy will be deemed an original.

23.5. Risk

Franchisee has conducted an independent investigation of the Franchised Business contemplated by this Agreement and recognizes that, like any other business, an investment in a Franchised Business involves business risks and that the success of the venture is dependent, among other factors, upon the business abilities and efforts of Franchisee. Franchisor does not, in this Agreement or otherwise, make any representation or warranty, express or implied, as to the potential success of the Franchised Business contemplated hereby.

23.6. No Guarantee of Success

Franchisee acknowledges that it has not received or relied on any guaranty, express or implied, as to the revenues, profits, or likelihood of success of the Franchised Business that it will operate pursuant to this Agreement. Franchisee acknowledges that there have been no representations by Franchisor's directors, employees, or agents, that are not contained in, or inconsistent with, the statements made in the Franchise Disclosure Document or with the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

FRANCHISOR:

COAST TO COAST ENGINEERING SERVICES, INC. D/B/A CRITERIUM ENGINEERS

_____

_____

_____

FRANCHISEE:

[type/print name]

_____

_____

_____

EXHIBIT A TO FRANCHISE AGREEMENT

TERRITORY / OFFICE

1. County and State of Territory:

   Description and Map

2. With office(s) located at:

   Address

COAST TO COAST ENGINEERING SERVICES, INC. D/B/A CRITERIUM ENGINEERS

By: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____

Title: _____

Date: _____

EXHIBIT B TO FRANCHISE AGREEMENT

GUARANTEE AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTEE AND ASSUMPTION OF OBLIGATIONS is given this____ day of_____ 20__, by and between

_____
_____
_____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement and accompanying exhibits, on the date herewith ("Agreement") by Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers ("Franchisor"), each of the undersigned hereby personally and unconditionally (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ ("Franchisee") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (2) shall personally be bound by, and personally liable for the breach of each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities including, without limitation, the provisions of Sections 6.3 and 17.2. Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (4) any right it may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (5) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (1) its direct and immediate liability under this guarantee shall be joint and several; (2) it shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guarantee, which shall be continuing and irrevocable during the term of the Agreement.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature on the same day and year as the Agreement was executed.

GUARANTOR(S)	PERCENTAGE OF OWNERSHIP IN FRANCHISEE
_____	_____%
Print Name:	

Date:

_____ _____%
Print Name:
Date:

_____ _____%
Print Name:
Date:

EXHIBIT C TO FRANCHISE AGREEMENT

ELECTRONIC FUND TRANSFER AUTHORIZATION

AUTHORIZATION TO HONOR CHARGES DRAWN BY AND
PAYABLE TO COAST TO COAST ENGINEERING SERVICES, INC. D/B/A CRITERIUM ENGINEERS.
("Franchisor")

Depositor, hereby authorizes and requests (the "Depository") to initiate debit and credit entries to Depositor's
___ checking account / ____ savings account (select one) indicated below drawn by and payable to the order of Franchisor by Electronic Fund Transfer provided there are sufficient funds in said account to pay the amount upon presentation.

Depositor agrees that the Depositor's rights with respect to each such charge shall be the same as if it were a check drawn by Depository and signed by Depositor. Depositor further agrees that if any such charge is dishonored, whether with or without cause and whether intentionally or inadvertently, the Depository shall be under no liability whatsoever.

Depository Name: _____

City:_____ State:_____ Zip Code:_____

Transit/ABA Number:_____

Account Number: _____

This authority is to remain in full force and effect until Franchisor and Depository have received at least thirty (30) days written notification from Depositor of its termination to afford Depository a reasonable opportunity to act on such request.

Depositor Signature:

By:

Its:_____

Depositor Name: _____

Date Signed: _____

Please attach a voided blank check for the purpose of setting up Bank and Transit Numbers.

EXHIBIT D TO FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP INTERESTS PRINCIPALS AND CONTROLLING PRINCIPALS

A. The following is a list of the stockholders, partners, or other investors in Franchisee, including all investors who own or hold a direct or indirect interest in Franchisee, and a description of the nature of their interest:

Name	Percentage of Ownership/Nature of Interest

B. The following is a list of all of Franchisee's Principals described in and designated pursuant to the definition of the term "Franchisee" in the Franchise Agreement, except those who have been designated as Controlling Principals, each of whom shall execute the Confidentiality and Non-Competition Agreement in the form set forth in Exhibit E of the Franchise Agreement:

C. The following is a list of Franchisee's Controlling Principals described in and designated pursuant to the definition of the term "Franchisee" in the Franchise Agreement:

EXHIBIT E TO FRANCHISE AGREEMENT

CONFIDENTIALITY & NON-COMPETITION AGREEMENT

This Agreement made as of the _____ of _____20__, by and between _____ (the "Franchisee") and _____ of _____ ("Individual").

W I T N E S S E T H:

WHEREAS, Franchisee is a party to that certain Franchise Agreement dated _____20_ ("Franchise Agreement").

WHEREAS, Franchisee desires individual to have access to and/or to review certain confidential materials, which are more particularly described below;

WHEREAS, Franchisee is required by the Franchise Agreement to have Individual execute this Agreement prior to providing Individual access to said confidential materials; and

WHEREAS, Individual agrees not to disclose any such information to any other party and/or use such information to compete against Franchisee in the same and/or a similar business, now or in the future.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. Proprietary Information.

Individual understands Franchisee possesses and will possess Proprietary Information, which is important to its business. For purposes of this Agreement, "Proprietary Information" is information that was or will be developed, created, or discovered by or on behalf of Franchisee, or which became or will become known by, or was or is conveyed to Franchisee, and which has commercial value in Franchisee's business. "Proprietary Information" includes, but is not limited to, operation manual(s), information about trade secrets, computer programs, designs, technology, ideas, know-how, processes, formulas, compositions, data, techniques, improvements, inventions (whether patentable or not), works of authorship, business and product development plans, customers and other information concerning Franchisee's actual or anticipated business, research or development related to the System and/or any of Franchisee's other business operations or procedures. Any information expressly designated by Franchisee as "Proprietary Information" shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve Individual of his obligations hereunder in respect of information otherwise constituting Proprietary Information. Individual understands Franchisee's providing of access to the confidential information creates a relationship of confidence and trust between Individual and Franchisee with respect to the Proprietary Information.

a) Individual understands Franchisee possesses or will possess "Franchise Materials" which are important to its business. For purposes of this Agreement, "Franchise Materials" are documents or other media or tangible items that contain or embody Proprietary Information or any other information concerning the business, operations or plans of Franchise, whether such documents have been prepared by me or by others. "Franchise Materials" include, but are not limited to, blueprints, drawings, designs, photographs, charts, graphs, Operations Manuals, customer lists, computer software printouts, sound recordings and other printed, typewritten, or handwritten documents, as well as samples, prototypes, models, products, and the like.

2. Confidentiality/Non-Disclosure.

a) Individual agrees not to communicate or divulge to, or use for the benefit of himself or any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any information, including, but not limited to, any operation manual(s), trademarks, trade names, patents, inventions, discoveries, improvements, processes, formulae, apparatus, equipment, methods, trade secrets, research, secret data, or other confidential matters developed, possessed, owned, or used by Franchisee, the discovery, development or knowledge of which is known to or acquired by Franchisee by reason of his meeting with and/or participation in the business and affairs of or as a result of his association with or which may be revealed to him by Franchisee.

b) Individual agrees that his obligations under Section 2(a) of this Agreement shall continue in effect after termination of his relationship with Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Franchisee is entitled to communicate its obligations under this Agreement to any future customer, client or employer to the extent deemed necessary by the Franchisee for protection of its rights hereunder and regardless of whether Individual or any of his affiliates or assigns becomes an investor, partner, joint ventures, broker, distributor or the like in the System.

3. Non-Competition.

Individual agrees that for a period of two (2) years hereafter, he shall not, directly or indirectly, carry on, be engaged in or take part in, render services to, or own or share in the earnings of any entity actively engaged in the Franchised business anywhere within a fifty (50) mile radius of the Approved Location described in Exhibit A of the Franchise Agreement, without the express written consent of Franchisee.

4. Miscellaneous.

a) This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between Individual and Franchisee. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties hereto.

b) Individual agrees that any dispute regarding the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of_____ where the Franchisee's business is located. Individual further agrees that if one or more provisions of this

Agreement are held to be illegal or unenforceable under applicable _____law, such illegal or unenforceable portion(s) shall be limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force and effect and enforceable in accordance with its terms. Individual also agrees to reimburse Franchisee for any and all costs and attorney's fees incurred by Franchisee in the enforcement of the terms of this Agreement.

c) This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of the Franchisee, its subsidiaries, successors and assigns.

d) This Agreement can only be modified by a subsequent written agreement executed by an authorized officer of the Franchisee.

e) The failure of either party to insist in any one or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

f) No amendments or additions to this Agreement shall be binding unless in writing and signed by both parties.

g) The section headings in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

h) In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

IN WITNESS WHEREOF, Franchisee has hereunto caused this Agreement to be executed by its duly authorized officer, and Individual has executed this Agreement, all being done in duplicate originals with one original being delivered to each party as of the day and year first above written.

INDIVIDUAL CERTIFIES THAT HE HAS READ THIS AGREEMENT CAREFULLY, AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.

FRANCHISEE:

By: _____

Title: _____

Date: _____

INDIVIDUAL:

By: _____

Title: _____

Date: _____

EXHIBIT F TO FRANCHISE AGREEMENT

GENERAL RELEASE

(This release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.)

This General Release ("Agreement") is made and entered into this _____ of _____, 20__, as follows:

1. The Parties.

The Parties to this Agreement are Coast to Coast Engineering Services, Inc. d/b/a Criterium Engineers, a Maine limited liability company, ("Franchisor") and _____ ("Franchisee").

The Parties entered into a Franchise Agreement on or around _____, which granted Franchisee the right to operate an CRITERIUM ENGINEERS franchise in certain parts of (insert Territory Description) (hereinafter the "Franchise Agreement").

By means of this Agreement, Franchisee, intends to fully and unconditionally release and discharge any and all claims it/he/she may have against Franchisor, as set forth in Sections 4 & 5 below, in connection with the Franchise Agreement, including any claims asserted, or which could have been asserted prior to the execution of this Agreement, and any other claims, known and unknown.

2. Consideration.

In consideration of making this Agreement, and for other good and valuable consideration, the adequacy of which the Parties expressly acknowledge, the Parties agree as follows:

a. Franchisor shall grant Franchisee's request to terminate/renew/transfer (Select One), the Franchise Agreement;

b. Franchisee shall pay in full any and all outstanding amount owed pursuant to the terms of the Franchise Agreement;

c. Franchisee shall be in full compliance with all applicable terms of the Franchise Agreement and any related Manual; and

d. Franchisee shall execute a General Release of any and all claims it may have against Franchisor.

The Parties further agree that Franchisor's consent to the aforementioned termination/renewal/transfer (Select One) of the Franchise Agreement is itself full and adequate consideration for the release set forth in Sections 3 & 4 of this Agreement.

3. Releases.

Franchisee, on behalf of itself/himself/herself, its/his/her corporate officers, directors, shareholders, heirs, personal representatives, successors, assigns, representatives, creditors, agents, lawyers and insurers, do hereby fully and expressly release, acquit, remise, and forever discharge Franchisor, and each of its respective heirs, personal representatives, successors, assigns, representatives, agents, lawyers, insurers, officers, directors, shareholders, subsidiaries, affiliates, and employees, to the extent permitted by applicable law, of and from any and all claims, demands, actions, liabilities, losses, proceedings, and rights of action of any kind arising out of or related in any way to the Franchise Agreement, Franchisee's purchase and/or operation of the Franchisor's franchise pursuant to the Franchise Agreement, known or unknown and/or the manner of settlement of any claims relating thereto, which may have occurred prior to the date of this Agreement.

Franchisee, agrees and understands that its/his/her individual and/or collective post terminations duties, responsibilities and obligations called for under the Franchise Agreement shall survive the execution of this Agreement, including, without limitation, any and all duties to defend and indemnify Franchisor in any lawsuits brought by former customers of Franchisee, related to work performed during the operation of the franchised business.

4. Releases Include Unknown Claims.

Franchisee understands and agrees that the released claims are intended to and do include any and all claims of every nature and kind whatsoever, known, unknown, suspected or unsuspected which he has or may have against Franchisor, as described in Section 3 of this Agreement.

Franchisee further acknowledges that it/he/she, individually and/or collectively, may hereafter discover facts different from or in addition to those which they now know or believe to be true with respect to the released claims and agree that, in such event, this Agreement shall nevertheless be and remain in effect in all respects, notwithstanding such different or additional facts, or the discovery thereof.

5. Warranty of Capacity to Execute Agreement.

The Parties represent and warrant that no other person or entity has or had any interest in the claims, demands, obligations, or causes of action related to or referred to in this Agreement, except as otherwise set forth herein, and that they have the sole

right and exclusive authority to cause this Agreement to be executed, and to receive sums specified herein, and that they have not sold, assigned, transferred, conveyed or otherwise disposed of any of the claims, demands, obligations or causes of action referred to in this Agreement.

6. No Admission of Liability.

This Agreement constitutes the release of existing or potential disputed claims and does not constitute an admission of liability on the part of any party as to any matters whatsoever. It is understood and agreed that this settlement is the compromise of doubtful and disputed, existing and/or potential, claims.

7. Modification.

No provisions of this Agreement may be changed, altered, modified, or waived except in writing signed by all of the Parties.

8. Entire Agreement.

The Parties each further acknowledge that no representation, promise or inducement has been made other than as set forth in this Agreement, and that none of them enters into this Agreement in reliance upon any other representation, promise or inducement not set forth herein. The Parties further acknowledge and represent that they assume the risk for any mistake or facts now known or unknown.

9. Understanding.

The Parties acknowledge and represent that they have read this Agreement in full and understand and voluntarily consent and agree to each and every provision contained herein.

10. Confidentiality.

The Parties covenant that they shall not disclose to any person or entity the terms or conditions of this Agreement, which are hereby expressly agreed to be confidential. The Parties further covenant to refrain from discussing, disclosing, or otherwise revealing to any person or entity, the terms or conditions of this Agreement, except to the extent that any such disclosure is required by law or valid court order, and except to the extent necessary to enforce their respective rights under this Agreement.

11. Legal Fees and Costs.

The Parties shall bear their respective costs and legal fees incurred in preparing and/or executing this Agreement; *provided, however*, that in the event of a breach of

this Agreement, the non-breaching party shall be entitled to recover from the breaching party the reasonable costs and attorney fees expended in order to enforce the terms of this Agreement.

12. Controlling Law; Venue.

The Parties agree that Maine law shall govern the validity and interpretation of this Agreement. The Parties stipulate that jurisdiction and/or venue shall lie exclusively in the State of Maine, Cumberland County Superior Court, for any action involving the validity, interpretation, or enforcement of this Agreement, or for any claim for breach of this Agreement, for damages, or for any other relief brought under this Agreement.

13. Multiple Counterparts.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

SEEN AND AGREED

FRANCHISEE

_____ _____

Witness

FRANCHISOR
COAST TO COAST ENGINEERING SERVICES, INC. D/B/A CRITERIUM ENGINEERS

_____ _____

Witness By:
Its:

EXHIBIT G TO FRANCHISE AGREEMENT

PROMISSORY NOTE

_____ ___, 20___

$_____

FOR VALUE RECEIVED, the undersigned, jointly and severally, promise to pay to Coast to Coast Engineering Services, Inc., d/b/a Criterium Engineers ("Franchisor") a Maine corporation, at 5 Depot Street, Suite 23, Freeport, ME 04032 or order

($_____) _____ AND 00/00 DOLLARS

together with interest in arrears at the rate of fifteen percent (15%) per annum payable as to principal and interest in twenty-four (24) equal monthly installments of $_____.00, commencing on the 1st of the month following the execution of this note.

The entire balance of this note shall, at the option of the holder, become immediately due and payable, without notice or demand, upon the occurrence of any of the following events of default:

(a) Failure for seven (7) days to make any installment of principal or interest due on this note;

(b) The undersigned or any of them are in default under or in breach of a Franchise Agreement between the undersigned and Franchisor dated _____, 20__;

(c) Dissolution, termination of existence, insolvency, death, incapacity or incompetency of any of the undersigned (or if the undersigned is a corporation, the undersigned's principals), or the appointment of a receiver of any property of substantial value for any of the undersigned; or a common law assignment or trust mortgage for the benefit of creditors for any of the undersigned; or the filing of a petition in bankruptcy or the commencement of any proceeding under bankruptcy or any insolvency laws or any laws relating to relief of debtors, readjustment of indebtedness, reorganization, composition or extension by any of the undersigned, or filing of a petition in bankruptcy law or any laws relating to the relief of debtors, readjustment of indebtedness, reorganization, composition or extension against any of the undersigned not discharge within 30 days.

Upon the occurrence of an event of default, the entire balance of this note shall bear interest at the lesser of eighteen percent (18%) per annum or the maximum lawful rate until the principal balance is paid in full.

This note may be prepaid in whole or in part by the undersigned at any time without premium or penalty.

Every maker, endorser or guarantor hereby waives presentment, demand, notice and protest and consents that this note may be extended from time to time and that no such extension or other indulgence shall discharge or otherwise affect the liability of any such maker, endorser or guarantor. Each such party agrees to pay on demand all costs and expenses (including reasonable attorneys' fees) incurred or paid by the holder in enforcing this note on default.

Any and all sums at any time credited by or due from the holder to the maker may at all times be applied or set off by the holder against the obligations of maker under this note at any time upon maturity of the obligation (whether at stated date or maturity, by acceleration or otherwise).

Whenever any payment to be made hereunder shall be stated to be due on a Saturday, Sunday or a public holiday under the laws of the jurisdiction in which payment is to be made, such payment hall be made on the next succeeding business day and such extension of time shall in such case be included in computing interest in connection with such payment.

This note is made in and shall be governed by the laws of the State of Maine.

IN WITNESS WHEREOF, this note has been executed and delivered on the date first written above.

WITNESS: BORROWER:

_____ _____

[Print Name]

WITNESS: BORROWER:

_____ _____

[Print Name]

EXHIBIT H TO FRANCHISE AGREEMENT

INITIAL MATERIALS PROVIDED BY FRANCHISOR

1. Office Tools & Technology

Operations Manuals (on Intranet)
QuickBooks Pro, 1 Year Subscription Accounting System
Hosted full website with support.
myCriterium (Intranet)information, document and communication resource
Handouts
1 Year Subscription to Constant Contact

2. Printing, Promotional & General Supplies

Electronic (pdf) stationery and sell sheets
250 Printed #10 Business Envelopes
250 Printed Mailing Labels
250 Printed Business Cards
2 NFC Business Cards
Customized Tradeshow Display

1 polo shirt, 1 Hard Hat

EXHIBIT D

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS

FORMER CRITERIUM ENGINEERS OFFICES AND HOME INSPECTION CONSULTANT OFFICES

LIST OF FORMER FRANCHISEES AND AREA DEVELOPERS

The following is a list of the names, addresses and telephone numbers of every franchisee who had their franchise agreement transferred, terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under their franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the issuance date of this Franchise Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

CLOSED FRANCHISES

Criterium-Stalnaker Engineers (Home Inspection Consultants of West Virginia)
590 Bendview Drive
Charleston, WV 25314
(304) 343-3111

Criterium-Cincinnati Engineers
9069 Arrowhead Ct
Cincinnati, OH 45231
(513) 474-9600

TRANSFERRED FRANCHISES

Massachusetts
Criterium-Dudka Engineers
Transferred to: Criterium-Dudka MA Engineers (508) 589-8020
Shin Nagpal
63 South St Suite 110
Hopkinton, MA 01748

Vermont
Criterium-Lalancette & Dudka Engineers
Transferred to: Criterium-Dudka VT Engineers (802) 747-4535
Shin Nagpal
230 N Main St Building #4
Suite #3
Rutland, VT 05701

Current as of 12/31/25

EXHIBIT E

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS

STATE ADDENDA

EXHIBIT E

TO FRANCHISE DISCLOSURE DOCUMENT COAST TO COAST ENGINEERING SERVICES, INC. D/B/A CRITERIUM ENGINEERS

STATE-SPECIFIC ADDENDA TO

FRANCHISE DISCLOSURE DOCUMENT and FRANCHISE AGREEMENT

The following modifications are to the Coast to Coast Engineering Systems, Inc. d/b/a Criterium Engineers Franchise Disclosure Document and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated _____, 20__.

The provisions of this State Law Addendum to Franchise Disclosure Document and Franchise Agreement ("**State Addendum**") apply only to those persons residing or operating Criterium Engineers Businesses in the following states:

CALIFORNIA

The Disclosure Document, and Franchise Agreement are amended as follows:

> "**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."**

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the franchise disclosure document at least 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

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

(a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.

(b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.

(c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.

(d) Violations of any provision of this division.

The franchisor, any person or franchise broker in Item 2 of the FDD is not 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., suspecting or expelling such persons from membership in such association or exchange.

Franchisor's website is "www.criterium-engineers.com"

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.

a. California Business and Professions Code 20000 through 20043 provide rights to the franchisee concerning transfer, termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control. (Note: This is required to be disclosed in all filings.)

b. 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.).

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

d. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

e. The franchise agreement requires binding mediation. The mediation will occur at Portland, Maine, with costs and expenses being equally shared by the parties, not including the expenses incurred by each party for its own legal representation in connection with mediation. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California a and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

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

g. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

h. 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). Business and Professions Code Section 20010 Voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

i. Section 23 of the Franchise Agreement does not apply in the state of California.

HAWAII

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

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

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

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

The following is applicable to the Franchise Disclosure Document:

"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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

ILLINOIS

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

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

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

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

No statement, questionnaire or 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.

See the last page of this Exhibit E for your required signature.

MARYLAND

The Disclosure Document and Franchise Agreement are amended as follows.

1. Item 17 of the Franchise Disclosure Document, Sections 4 & 17 of the Franchise Agreement (FA) require franchisee to execute a release or waiver of rights as a condition of renewal, sale and/or assignment/transfer. 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.

FDD: Item 17

FA: Section 4 & 17

ADA: Section 10

2. The Franchise Disclosure Document, Franchise Agreement require a Franchisee to sue in a State other than Maryland, and are amended to expressly permit a Franchisee to file a civil lawsuit in Maryland for claims arising under the Maryland

Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

FDD: Item 17

FA: Section 21

ADA: Section 14.2

3. Item 17 of the Franchise Disclosure Document and Section 15.2 of the Franchise Agreement state that if the Franchisee is declared bankrupt then Criterium Engineers may terminate the agreement without an opportunity to cure. This provision may not be enforceable under current U.S. Bankruptcy Laws.

FDD: Item 17

FA: Section 15.2

4. To the extent that the Franchise Agreement, and Franchise Disclosure Questionnaire require prospective franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law in order to purchase a franchise, the Franchise Agreement, and Franchise Disclosure Questionnaire are amended to state that such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

FDD: Exhibit H

ADA: Sections 9 & 15

FA: Sections 21 & 22

5. Section 23 of the Franchise Agreement, "Acknowledgements", is considered deleted and not applicable to the residents of Maryland or to businesses to be operated in Maryland."

6. The following is applicable to the Franchise Disclosure Document and Franchise Agreement:

> "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

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."

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 5 years and (ii) you are prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or you do not receive at least 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
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

MINNESOTA

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.

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

FDD: Article 17

FA: Section 21

ADA: Section 14

2. "With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement."

FDD: Article 17

FA: Section 15

ADA: N/A

3. The Disclosure Document and the agreement must state that the franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify the franchisee from

any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

FDD: Article 13

FA: Section 5

ADA: N/A

4. Minn. Rule 2860.4400D. prohibits requiring a franchisee to assent to a general release. Amend to exclude claims under the Minnesota Franchise Law.

FDD: Article 17

FA: Section 17
ADA: Section 10.3 & Exhibit D

5. Minn. Rule 2860.4400J prohibits termination penalties.

FDD: Article 17

FA: Section 16

ADA: Section 8

- This Addendum amends any language to the contrary, as outlined above, contained in either the Franchise Disclosure Document ("FDD"), the Franchise Agreement ("FA").

The Franchise Disclosure Document and Franchise Agreement are amended as follows:

> 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 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 with the franchise.

NEW YORK

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT F OR CALL YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YOUR STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a

public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the franchise disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code during or within one year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5;
The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. 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) titled "**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.

6. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

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

7. The following is added to the end of the "Summary" section of Item 17(j), titled "**Assignment of contract by franchisor**":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. 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 New York State General Business Law. This language has been included in this Franchise Disclosure Document as a condition of registration. Franchisor and Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement including all choice of law provisions, are fully enforceable. Franchisor and 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 provisions and other dispute resolution provisions.

9. The following is added to the end of the second paragraph of each Receipt page located at **EXHIBIT J:**

New York law requires a franchisor to provide the Franchise 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.

NORTH DAKOTA

1) Item 17 of the Franchise Disclosure Document, Sections 4 & 17 of the Franchise Agreement (FA) require franchisee to execute a release or waiver of rights as a condition of renewal, sale and/or assignment/transfer. The general release required as a condition of renewal, sale, and/or assignment /transfer shall not apply to any liability under the North Dakota Franchise Investment Law.

FDD: Item 17

FA: Section 4 & 17

ADA: Section 10

2) To the extent that Item 17 i) of the Disclosure Document and Section 16 of the Franchise Agreement conflict with the provisions of North Dakota law regarding

termination or liquidated damages (N.D.C.C., Sec. 51-19-09), such restrictive covenants may not be enforceable by Franchisor, in which event Franchisor shall otherwise retain its rights and remedies at common law.

3) To the extent that Item 17 r) of the Disclosure Document and Section 16 the Franchise Agreement conflict with the provisions of North Dakota law regarding restrictive covenants (N.D.C.C., Sec. 9-08-06), such restrictive covenants may not be enforceable by Franchisor, in which event Franchisor shall otherwise retain its rights and remedies at common law.

4) To the extent that Item 17 u) of the Disclosure Document, Section 21 of the Franchise Agreement require a Franchisee to agree to arbitration or mediation of disputes be held in Maine, they are hereby amended to expressly permit arbitration or mediation be held in North Dakota for claims arising under the North Dakota Franchise Investment Law.

FDD: Item 17

FA: Section 21

ADA: Section 14

5) The Franchise Disclosure Document, Franchise Agreement require a Franchisee to sue in a State other than North Dakota and are hereby amended to expressly permit a Franchisee to file a civil lawsuit in North Dakota for claims arising under the North Dakota Franchise Investment Law.

FDD: Item 17

FA: Section 21

ADA: Section 14

6) Item 17 w) of the Disclosure Document, and Section 21 of the Franchise Agreement provide that Maine law governs the document and agreement except for certain provisions. As required by North Dakota law, the North Dakota Franchise Investment Law will prevail over Maine law to the extent of any conflict.

7) Section 21.6 of the Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. This provision is inconsistent with Section 51-19-09 of the North Dakota Franchise Investment Law and is deleted in its entirety.

8) Section 21.5 of the Franchise Agreement requires the franchisee to consent to a waiver of exemplary and punitive damages. This provision is inconsistent with Section 51-19-09 of the North Dakota Franchise Investment Law and is deleted in its entirety.

9) Section 21.4 of the Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. This provision is inconsistent with Section 51-19-09 of the North Dakota Franchise Investment Law, and is hereby amended to state that the statute of limitations under North Dakota law will apply.

VIRGINIA

The following is added to the Risk Factors on the cover page:

YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS. YOUR INABILITY TO MAINTAIN THESE LEVELS MAY RESULT IN LOSS OF ANY TERRITORIAL RIGHTS YOU ARE GRANTED, TERMINATION OF YOUR FRANCHISE, AND LOSS OF YOUR INVESTMENT.

In recognition of the restrictions contained in section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for **Criterium Engineers** used in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17.h.

"Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable."

The following statements are added to Item 17(t):

"Only the terms of the *Franchise Agreement* and other related written agreements are binding (subject to applicable state law.) No other representations or promises will be binding. Nothing in the Franchise Agreement or in any other related written agreement is intended to disclaim representations made in the franchise disclosure document"

The Disclosure Document and Franchise Agreement are amended as follows:

"No statement, questionnaire, or acknowledgment singed or agreed to by a franchisee in connection with the commencement of the franchise relationship

shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

Washington Addendum to the Franchise Disclosure Document, Franchise Agreement, and related agreements.

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

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

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

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

4. **General Release**. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

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

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

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

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

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

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

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

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

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

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

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

16. **Questionnaires and Acknowledgements**. 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 any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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

18. **Advisory Regarding Franchise Brokers**. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The State of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator, or as determined by the arbitrator at the time of arbitration. 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.

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

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

Transfer fees are collectable to the extent that they reflect the franchisors 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.

Sections 23.1, 23.3, 23.5, and 23.6 of the Franchise Agreement do not apply in the State of Washington.

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

WISCONSIN

The State of Wisconsin has a statute, the Wisconsin Franchise Investment Law, Wis. Stat. § 553.01, et. seq., and Wis. Adm. Code Chapter DFI-Sec. 31.01, et seq., which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In the event of a conflict of laws, the provisions of the Wisconsin Franchise Investment Law, Wis. Stat. § 553.01, et. seq., and Wis. Adm. Code Chapter DFI-Sec. 31.01, et seq., shall prevail.

1. The Franchise Disclosure Document, Franchise Agreement require a Franchisee to sue in a State other than Wisconsin, and are hereby amended to expressly permit a Franchisee to file a civil lawsuit in Wisconsin for claims arising under the Wisconsin Franchise Investment Law.

FDD: Item 17

FA: Section 21

ADA: Section 14

2. Item 17 of the Franchise Disclosure Document permit Franchisor to terminate, cancel, not renew or make a substantial change in competitive circumstances in the Franchise Agreement, without cause under certain circumstances. These provisions are prohibited by the Wisconsin Fair Dealership Law, § 135.04. Accordingly, Item 17 of the Franchise Disclosure Document and Section 15 of the Franchise Agreement are hereby amended to prevent the termination, cancellation, non-renewal or substantial change in competitive circumstances of the Franchise Agreement without good cause.

FDD: Item 17

FA: Section 15

3. Item 17 of the Franchise Disclosure Document, Section 15 of the Franchise Agreement and Section 8 of the Area Development Agreement permit the Franchisor to terminate the Franchise Agreement without providing the Franchisee ninety (90) days prior notice of the proposed termination or sixty (60) days to cure the deficiency. These provisions are prohibited by the Wisconsin Fair Dealership Law, § 135.04. Accordingly, Item 17 of the Franchise Disclosure Document and Section 15 of the Franchise Agreement are hereby amended to require that prior to the termination of the Franchise Agreement Franchisor must provide Franchisee ninety (90) days written notice of a proposed termination, which states all the reasons for the termination, cancellation, non-renewal or substantive change in circumstances, and the Franchisee shall be given sixty (60) days from the date of delivery or posting of such notice to rectify any claimed deficiency. If the deficiency is rectified within the sixty (60) days the notice shall be void. The notice provisions shall not apply if the reason for termination, cancellation or non-renewal is insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation or non-renewal or substantial change in competitive circumstances is nonpayment of sums due under the Franchise Agreement, Franchisee shall still be entitled to (90) days written notice, as referenced above, however, Franchisee shall only have ten (10) days in which to remedy such default from the date of delivery or post of such notice.

FDD: Item 17

FA: Section 15

ADA: Section 8

ACKNOWLEDGMENT:

It is agreed that the applicable foregoing State-Specific Addendum, if any, supersedes any inconsistent portion of the Franchise Agreement dated the _____ day of _____, 20__, and of the Franchise Disclosure Document, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect, and the parties further acknowledge and agree that this State-Specific Addendum is applicable only to those persons specifically subject to the protections of the state laws referenced in this State-Specific Addendum.

DATED this _____ day of _____, 20__.

FRANCHISOR:	**FRANCHISEE:**
COAST TO COAST ENGINEERING SERVICES, INC. D/B/A CRITERIUM ENGINEERS	
_____	_____
By:_____	By:_____
Title:_____	Title:_____

EXHIBIT F

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS

STATE AGENCIES & AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Financial Protection and Innovation 320 West 4th Street Suite 750 Los Angeles, CA 90013 213-576-7500	Commissioner of the Department of Financial Protection and Innovation State of California Department of Corporations 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
HAWAII	State of Hawaii Business Registration Division Securities Compliance Branch Dept. of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 808-586-2722	Hawaii Commissioner of Securities Same Address
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 217-782-4465	Illinois Attorney General Same Address
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 317-232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 410-576-6360	Maryland Securities Commissioner Same Address
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 525 W. Ottawa St., G Mennen Williams Building Lansing, MI 48909 517-373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101 651-539-1600	Minnesota Commissioner of Commerce Same Address
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8236 Phone (212) 416-6042 Fax	Attention: New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue, Dept. 401 Bismarck, ND 58505-0510 701-328-2910; Fax: 701-328-0140	North Dakota Securities Commissioner Same Address

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
RHODE ISLAND	Rhode Island Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex – Building 69-1 Cranston, RI 02920	Director of the Rhode Island Department of Business Regulation Rhode Island Attorney General 233 Richmond Street Providence, RI 02903-4232
SOUTH DAKOTA	Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre, SD 57501 605-773-3563	Division of Insurance Division of Securities Same Address
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street, 9th Floor Richmond, VA 23219 804-371-9051	Clerk of the State Corporation Commission State Corporation Commission 1300 E. Main Street Richmond, VA 23219
WASHINGTON	Department of Financial Institutions Securities Division PO Box 41200 Olympia, WA 98504-1200 360-902-8762	Director, Dept. of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501
WISCONSIN	Wisconsin Dept. of Financial Institutions Division of Securities 345 W. Washington Avenue, 4th Floor Madison, WI 53703 608-266-8557	Wisconsin Commissioner of Securities Same Address

EXHIBIT G

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS

NAME CHANGE ADDENDUM

ADDENDUM TO LICENSE AGREEMENT

AGREEMENT made this day of , 20 __, by and between Coast to Coast Engineering Services, Inc., 5 Depot Street, Suite 23, Freeport, ME 04032 (Coast to Coast) and _____ hereinafter referred to as "the Company."

WHEREAS Coast to Coast and the Company have previously entered into an agreement dated _____ , and

WHEREAS Coast to Coast has developed a new national identity, Criterium Engineers, and the licensee wishes to use the new identity;

NOW , THEREFORE, in consideration of mutual covenants, agreements, considerations, and representations hereby given or made and upon all the terms herein set forth by each of the parties to the other, the parties mutually agree as follows:

1. To append the above referenced agreement to include the use of the service mark Criterium, Criterium Engineers, the orange triangle or any combination of the above, collectively hereinafter referred to as service marks.

2. Company acknowledges that the name Criterium, Criterium Engineers and the orange triangle are valid service marks for use in the Consulting Engineering Service Business solely owned by Coast to Coast and that only Coast to Coast or its designated licensees have the right to use such service mark.

3. Company further acknowledges that valuable goodwill is attached to these service marks and that the Company will use same only in the manner and to the extent specifically licensed by this Agreement including the proper use of the Federal registration designations. The Company acknowledges that Coast to Coast has obtained federal registration from the U.S. Patent and Trademark Office covering the service marks for the services of the Consulting Engineering Service Business licensed under this Agreement.

The Company understands and acknowledges that each and every detail of the system is important to Coast to Coast, to the Company, and to other licensees in order to develop and maintain uniformity of services and, therefore, to enhance the reputation, trade demand and goodwill of Coast to Coast. The Company accordingly covenants to adopt and use the Proprietary Marks licensed hereunder solely in the manner prescribed by Coast to Coast including appropriate use of the registration notice, if any.

4. This Addendum is intended solely for the purpose of licensing the name Criterium under and existing agreement dated above. No element of that existing agreement shall be construed to be superseded in any way and remains in effect as first

written. Further, all paragraphs pertaining to the name and licensed system in the original Agreement shall apply equally to Criterium.

_____ _____

EXHIBIT H

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS

FRANCHISEE DISCLOSURE QUESTIONNAIRE

FRANCHISEE DISCLOSURE QUESTIONNAIRE

(This questionnaire is not to be used for any franchise sale in or to residents of California, Hawaii, Illinois, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin)
Do not sign this Questionnaire if you are a resident of Maryland or your business is to be operated in Maryland.

As you know, COAST TO COAST ENGINEERING SERVICES, INC. D/B/A CRITERIUM ENGINEERS (the "Franchisor") and you are preparing to enter into a Franchise Agreement for the operation of a Franchised Business. Please review each of the following questions and provide honest and complete responses to each question. In this Franchisee Disclosure Questionnaire, CRITERIUM ENGINEERS will be referred to as "we" or "us." The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate, or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed the CRITERIUM ENGINEERS Franchise Agreement and each exhibit, addendum schedule attached to it?

Yes _____ No _____

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?

Yes _____ No _____

If "No", what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary.)

_____

_____

_____

_____

3. Have you received and personally reviewed our Disclosure Document we provided to you?

Yes _____ No _____

4. Do you understand all of the information contained in the Disclosure Document?

Yes _____ No _____

If "No", what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary.)

_____

_____

_____

_____

5. Have you discussed the benefits and risks of operating a CRITERIUM ENGINEERS Consulting Engineering Service Business with an attorney, accountant or other professional advisor and do you understand those risks?

Yes _____ No _____

6. Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms, and other economic and business factors?

Yes _____ No _____

7. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits, or operating costs of a CRITERIUM ENGINEERS Consulting Engineering Service Business that we or our franchisees operate, other than the information set forth in Item 19 of our Disclosure Document?

Yes _____ No _____

8. Has any employee or other person speaking on our behalf made any statement or promise concerning a CRITERIUM ENGINEERS Consulting Engineering Service Business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes _____ No _____

9. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a CRITERIUM ENGINEERS Consulting Engineering Service Business?

Yes _____ No _____

10. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes _____ No _____

11. If you have answered "Yes" to any of questions seven (7) through ten (10), please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of such questions, please leave the following lines blank.

_____

_____

_____

_____

_____

_____

12. Do you understand that in all dealings with you, our officers, directors, employees, and agents act only in a representative capacity and not in an individual capacity and such dealings are solely between you and us?

Yes _____ No _____

You understand that your answers are important to us and that we will rely on them.

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions.

_____
Name of Franchisee/Applicant

_____
Date

_____
Signature

_____
Name and Title of Person Signing

EXHIBIT "I" TO DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

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

This 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:

California:
Hawaii:
Illinois:
Indiana:
Maryland:
Michigan:
Minnesota:
New York:
North Dakota:
Rhode Island:
South Dakota:
Virginia:
Washington:
Wisconsin:

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" TO DISCLOSURE DOCUMENT

COAST TO COAST ENGINEERING SERVICES, INC.
D/B/A CRITERIUM ENGINEERS
RECEIPT OF DISCLOSURE DOCUMENT

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 CRITERIUM ENGINEERS 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 Illinois, Iowa, Maine, Nebraska, New York, Oklahoma, Rhode Island, or South Dakota law, if applicable, we must provide this disclosure document to you at your first personal meeting to discuss the franchise.

If CRITERIUM ENGINEERS 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 F**.

The name, principal business address and telephone number of each franchise seller offering the franchise:

COAST TO COAST ENGINEERING SERVICES, INC. D/B/A CRITERIUM ENGINEERS, 5 Depot Street, Suite 23, Freeport, ME 04032, 207-828-1969.

☐ Deborah Adams and/or

☐ David Leopold

Issuance Date: March 31, 2026.

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

I have received a disclosure document dated March 31, 2026, that included the following Exhibits:

A. List of Criterium Engineers Offices and Home Inspection Consultants Offices
B. Financial Statements
C. Franchise Agreement
D. List of Former Criterium Engineers Offices and Home Inspection Consultant Offices
E. State Addendum
F. State Agencies & Agents for Service of Process
G. Name Change Addendum
H. Franchisee Disclosure Questionnaire
I. State Effective Dates
J. Receipt

Date	Signature	Printed Name
Date	Signature	Printed Name

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

RECEIPT
(Our 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 CRITERIUM ENGINEERS 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 Illinois, Iowa, Maine, Nebraska, New York, Oklahoma, Rhode Island, or South Dakota law, if applicable, we must provide this disclosure document to you at your first personal meeting to discuss the franchise.

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E. State Addendum
F. State Agencies & Agents for Service of Process
G. Name Change Addendum
H. Franchisee Disclosure Questionnaire
I. State Effective Dates
J. Receipt

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

Please sign this copy of the receipt, date your signature, and return it to COAST TO COAST ENGINEERING SERVICES, INC. D/B/A CRITERIUM ENGINEERS, 5 Depot Street, Suite 23, Freeport, ME 04032.