FRANCHISE DISCLOSURE DOCUMENT

THE HOMETEAM INSPECTION SERVICE, INC.
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A HomeTeam Franchise sells building inspection services for single-family homes and certain multi-family residential buildings.

The total investment necessary to begin operation of a HomeTeam Franchise ranges from $50,100 to $76,800. This includes $44,800 to $64,800 that must be paid to the franchisor or an affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact HomeTeam at 575 Chamber Drive, Milford, Ohio 45150 and (800) 598-5297.

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

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

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

ISSUANCE DATE: April 1, 2022

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits K and L.
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 J 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 The HomeTeam Inspection Service 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 The HomeTeam Inspection Service franchisee?	Item 20 or Exhibits K and L lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples my 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 I.

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 and/or litigation only in Ohio. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Ohio than in your own state.
2. **Sales Performance Required.** The franchisor has minimum sales performance standards that you must maintain which may result in the requirement of minimum royalty and advertising payments, regardless of your sales levels. Failure to do so may result in termination of franchise agreement and loss of your investment, or reduction of size of territory; you may want to consider this when making a decision to purchase this franchise opportunity.
3. There may be other risks concerning this franchise.

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

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Item 1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor, Business Form, Names, Address. In order to make this disclosure document easier to understand, "HomeTeam" or "we" means the franchisor, The HomeTeam Inspection Service, Inc. The terms "HomeTeam" or "we" do not include The HomeTeam Inspection Service, Inc.'s officers, directors, or shareholders. "You" means the person, corporation, partnership or other entity that buys the franchise. "You" does not include the shareholders or partners of a franchisee unless otherwise indicated.

HomeTeam is an Ohio corporation that was incorporated on December 14, 1992. Our principal business address is 575 Chamber Drive, Milford, Ohio, 45150. We do business under the name HOMETEAM INSPECTION SERVICE. Our agents for service of process are listed in Exhibit H.

Our Business Activities and the Franchises Offered. We offer franchises to operate building inspection services under the name HOMETEAM INSPECTION SERVICE (in this disclosure document, we refer to the franchise we offer as a "HomeTeam Franchise," regardless of whether it uses the HOMETEAM name). The most common type of inspection, called a "whole-house inspection," is typically performed on behalf of the buyer in connection with the purchase of a home, for the purpose of reporting on the general condition of the home at the time of the inspection and identifying any major defects in the home. You will offer your services to buyers, sellers and owners of homes and other buildings, directly and through referral sources such as real estate agents, relocation companies, banks, attorneys, appraisers, and mortgage lenders. You will compete with other inspection services in the same geographic area, including those that may be franchised by other national companies. Unless your franchise is located in a southern state with mild winters, you may experience a decline in sales during the months of December, January, and February.

In addition to performing inspections yourself, you also must be able to manage other inspectors and ensure that at least two inspectors are present during each whole house inspection. We provide you with proprietary and customized management software, *ISN* and *CloudInspect* (or similar software designated by us), which you are required to use. HomeTeam Franchisees distinguish themselves from competitors by offering a professional service and by building brand recognition within their local communities. You must be prepared to purchase or lease vehicles that meet our specifications. You and your employees must wear uniforms that also meet our specifications during business hours. We recommend that you operate the franchised business from an office in your home, and then lease modest office space when your business matures and grows. Your office is not required to be located within your territory, but you must maintain a business address in your territory, that address must be acceptable under Google My Business (GMB) guidelines (which currently includes the ability to receive mail, have signage, and someone working there during posted hours), and the telephone number for your franchise must be listed under an address or other location in your territory.

Industry Regulations. Nearly every state has laws that affect the building inspection industry. Most states, as well as some counties and municipalities, already require the licensing, certification, or registration of building inspectors, and those that do not are in the process of adopting licensing, certification, or registration requirements. You should assume that you will be required to obtain a license, certification, or registration to operate the franchised business. Due to the nature of the various states' licensing for home inspectors, we may substitute some or all of the inspection training aspects of the training program to a third-party training organization approved by the various states. If a third-party training organization is utilized, HomeTeam will pay the cost of the initial state licensing training for one person. The licensing, certification or registration process typically involves a combination of education, experience, and testing requirements. Some states also have

established standards of practice and performance that apply in your territory. You should thoroughly investigate all relevant laws before making a purchase decision. You should consult with your attorney and local, state, and federal government agencies before entering into an agreement to buy a HomeTeam Franchise to determine all legal requirements with which you must comply, in order to evaluate their effects on you and the cost of compliance.

HomeTeam was formed solely for the purpose of selling and supporting building inspection franchises. We have never operated any franchises. We have offered franchises of this type since December 21, 1992. We do not offer franchises in any other business. We have no parents.

Affiliates. HomeTeam does not have any affiliates that offer franchises in any line of business or provide products or services to HomeTeam Franchisees.

Predecessors and Parents. We do not have any predecessors or parents.

Item 2. BUSINESS EXPERIENCE

Founder, Chairman, Treasurer: Paul D. Spires, Jr.

Paul is our founder and has been a member of our Board of Directors since our organization in December 1992, our Treasurer since June 1995, and our Chairman since July 2007. He was our Chief Executive Officer from May 1998 through June 2007. Paul is the founder and President of Trigon Imaging Systems, Inc. since July 2008, located in Milford, Ohio, and since 1985 has been a real estate investor in both multi-family residential and commercial properties.

President: Adam Long

Adam joined HomeTeam in May 2004. From 2004 to 2007, he managed technology for HomeTeam. From 2007 to 2012, he managed both technology and digital marketing as Vice President of Shared Services for both HomeTeam and H.D. Franchising Systems, Inc. in Milford, Ohio. From 2012 to 2016, he served as Vice President for HomeTeam. In 2017, Adam became President of HomeTeam.

Chief Financial Officer: George Thomas

George has been with HomeTeam since January 2020 as Chief Financial Officer. George has been a licensed CPA and held a variety of Controller and Financial Management positions for over 25 years. His prior employers included Medlab and Amerathon, LLC.

Vice President, Franchise Operations: Walter (Buddy) Stark III

Buddy joined HomeTeam in April 2016. From April 2016 to April 2021, he was Director of Operations of HomeTeam. In April of 2021 Buddy became Vice President, Franchise Operations of HomeTeam.

Item 3. LITIGATION

Commissioner of Financial Protection and Innovation v. The HomeTeam Inspection Service, Inc. doing business as The HomeTeam Inspection Service. We entered into a Consent Order with the California Commissioner of Financial Protection and Innovation on May 27, 2022, acknowledging that the certified public accountant that audited our financial statements was not registered as a public accounting firm in Ohio as required by Ohio accounting regulations. Although we were unaware of the CPA's oversight, we agreed to pay an administrative penalty of $10,000 and to comply with the Corporations Code. We are presently seeking reimbursement from the CPA.

Item 4. BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

Item 5. INITIAL FEES

Initial Franchise Fee. You must pay an initial franchise fee when you sign the franchise agreement ("Initial Franchise Fee"). The amount of the franchise fee depends upon the demographics of your franchise territory. A franchise fee of $35,000 encompasses a Limited territory of up to 50,000 owner occupied households; a franchise fee of $45,000 encompasses a Standard territory of 50,001 to 100,000 owner occupied households and a franchise fee of $55,000 encompasses a Premium territory of 100,001 to 150,000 owner occupied households. Initial Franchise Fees are fully earned upon payment and are entirely non-refundable in whole or in part, and are uniform for all franchises currently being offered, however, we reserve the right to offer, from time to time, discounts or incentives under certain circumstances.

We obtain our demographic information from a geographic-based information solution (GbBIS) an information system that is a division of Intelligent Direct Inc. We have the right to designate a territory with more than 150,000 owner-occupied households, depending upon market size, demographic data, or other relevant factors, but we also have the right to charge a higher Initial Franchise Fee if we grant you a territory with more than 150,000 owner-occupied households.

Start-up Package Fee. You must also pay us a Start-up Package Fee of $9,800 when you sign the franchise agreement. The Start-up Package Fee is uniform for all initial franchises. The Start-up Package includes your technology package (including computer, tablets, and other hardware, accounting and other software programs), marketing and promotional materials, a vehicle branding allowance, business cards, uniforms, tool package, Digital Marketing Package for 6 months, and other supplies you will need for the operation of the franchised business. The contents of the Start-up Package may change without notice as quantities change, items are retired and/or replaced with new items, and program availability may vary from one market to another. The current contents are listed in Exhibit C of the franchise agreement, which is attached to this disclosure document as Exhibit A. The Start-up Package Fee is not refundable in whole or in part, under any other circumstances.

Veteran's Benefit. If you are an honorably discharged U.S. military veteran, we will offer you the benefit of adding an additional 10% of owner-occupied households to a Standard territory or 15% additional owner-occupied households to a Premium territory.

Item 6. OTHER FEES

OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Weekly Royalty Fee (Note 1)	6% of Gross Sales (Note 2) – Refunds calculated on the following: 6% of the first $500,000 of Gross Sales per year, 5.5% on Gross Sales between $500,001 - $750,000, 5% on Gross Sales between $750,001 - $1,000,000, and 4% on Gross Sales over $1,000,001. Annual Minimum Royalty Fee is 6% of the Minimum Annual Gross Sales threshold (Note 3)	Weekly Royalty Fee is due Wednesday of each week by electronic funds transfer (Note 0) Annual Minimum Royalty Fee is due on the anniversary upon which the HomeTeam Franchise opens and the difference must be paid within 15 days of the anniversary date.	The reporting week begins each Monday and ends on the following Sunday. A weekly Royalty of 6% of Gross Sales will be collected, and any excess amounts collected will be refunded monthly. See Note 4 for more information. If Royalty Fees paid throughout the 12-month period beginning the date the franchise opens are less than 6% of the Minimum Annual Gross Sales threshold (Note 3), you must pay the difference within 15 days after the anniversary date upon which the HomeTeam Franchise opens. Only applicable if annual gross sales fall below the Minimum Annual Gross Sales threshold.
Weekly Branding Contribution (Note 6)	3% of Gross Sales Annual Minimum Branding Fee is 3% of the Minimum Annual Gross Sales threshold (Note 3)	Wednesday of each week by electronic funds transfer Annual Minimum Branding Fee is due on the anniversary upon which the HomeTeam Franchise opens and the difference must be paid within 15 days of the anniversary date.	The reporting week begins each Monday and ends on the following Sunday, and sales reports are due by the following Wednesday. If the total weekly Branding Contributions that you pay during the 12-month period beginning the date the HomeTeam Franchise opens are less than 3% of your Minimum Annual Gross Sales, you must pay the difference within 15 days after the anniversary date upon which the HomeTeam Franchise opens.
Digital Marketing Fee (Note 6)	$229 per month	The first 6 months are included in the start-up package, thereafter monthly by electronic funds transfer	A small portion will be retained to administer programs. The amount is subject to change based on: technology changes; vendor arrangements; and change to model.
Technology Fee (Note 10)	$100 per month, $10 for each additional phone number	Monthly by electronic funds transfer	You must use the phone technology we specify and the phone number we assign to you.
Transfer Fee (Note 1)	$10,000	Before the consummation of the transfer	Payable when you sell your franchise. Any brokers' fees or commissions that arise because of the transfer must be paid by you.
Renewal Franchise Fee (Note 1)	$2,500	At least 6 months before your franchise agreement expires	A "Renewal Franchise" is a HomeTeam Franchise that you may be granted under section 2.2 of the franchise agreement, as a Renewal to your initial HomeTeam Franchise, for a ten-year term after the expiration of this agreement.
Convention Fee	The then current fee, by way of example, single package was $999 and couple package was $1,299 for the 2021 convention.	Annually before our franchisee convention, typically held in January or February each year	If we host an annual convention for our franchisees, we will charge each franchisee a fee to attend. You must pay the convention fee in the summer months prior to the year the convention takes place each year regardless of whether you attend the convention. We have the right to change the amount of the fee.
Late Fee	$20 for late payments	On demand	You must pay a late fee each time we receive any payment more than 5 days after its due date. Late fees on payments payable to us; late fees on marketing contributions are payable to the branding fund.
Interest	18% from the date payment was due	On demand	In addition to a late fee, you must also pay 18% annual interest on each late payment we receive more than 30 days from its due date. Interest on payments payable to us is payable to us; interest on marketing contributions is payable to the branding fund.

Name of Fee	Amount	Due Date	Remarks
Sales/Use Taxes (Note 7)	Variable	Payable with your royalty or branding contribution payments	You must pay any state or local sales, use or value-added tax assessed on the royalties, branding contributions, or other fees you pay us.
Reimbursement, legal expenses, indemnification (Note 1)	Amount of expense advanced plus 18% interest	On demand	You must reimburse us if we pay your expenses when you fail to so do, such as rent, taxes, insurance, client refunds, other liabilities, attorney fees to enforce your franchise agreement, or any liability we incur for claims arising from your business
Software (Note 9)	Variable	On demand	You may be required to pay for periodic software user fees and upgrades.
Indemnification	Will vary.	On demand	You shall indemnify and defend and hold us harmless against any and all claims arising and expenses incurred (including attorney fees) directly or indirectly from, as a result of, or in connection with your operation of your HomeTeam Franchise.
Audit/Inspection	Cost of audit or inspection.	On demand	If any audit or inspection of your HomeTeam Business indicates that you have understated your Gross Sales by 3% or more for any weekly period, or if an inspection is prompted by your failure to maintain any records or to timely submit any report or other information required by the franchise agreement, then you shall reimburse us for all costs and expenses of the inspection.
Insufficient Funds Fee	$25.00	On demand	If any debit we initiated from your EDT Account is denied or charged back due to nonsufficient funds or the closing of the EDT Account, you shall pay us a $25.00 charge-back fee and reimburse us for all bank and transaction charges incurred by Franchisor as the result of the charge-back.
Failure to Report Gross Sales	A late fee of 25% plus 125% of the amounts payable by Franchisee for the Royalty and Branding Contribution for the last reporting period for which Franchisee reported its Gross Sales	As incurred	If you have not timely reported your Gross Sales for any reporting period, then we shall debit your EDT Account a late fee of 25% plus 125% of for the Royalty and Branding Contribution for the last reporting period for which you reported its Gross Sales. I

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1. Imposed by and payable to HomeTeam.

2. "Gross Sales" means all income (recognized on an accrual basis), whether cash or credit (and regardless of collection), less all refunds and discounts to clients and any sales or excise taxes.

3. If your territory is a Limited territory, you will be required to achieve a minimum sales volume, or "Minimum Annual Gross Sales," of $25,000 at the end of the first year after your HomeTeam franchise is open, $50,000 at the end of your second year after your HomeTeam franchise is open, and $75,000 at the end of your third year after your HomeTeam franchise is open and each year thereafter. If your territory is a Standard territory, you will be required to achieve a minimum sales volume, or "Minimum Annual Gross Sales," of $50,000 at the end of the first year after your HomeTeam franchise is open, $85,000 at the end of your second year after your HomeTeam franchise is open, and $125,000 at the end of your third year after your HomeTeam franchise is open and each year thereafter. If your

territory is a Premium territory, you will be required to achieve a minimum sales volume of $75,000 at the end of the first year after your HomeTeam franchise is open, $125,000 at the end of your second year after your HomeTeam franchise is open, and $250,000 at the end of your third year after your HomeTeam franchise is open and each year thereafter. If you fail to achieve the Minimum Annual Gross Sales, we have the right to terminate your franchise agreement or reduce the geographic size of your territory in addition to charging the minimum royalties and branding fees.

If you are entering an agreement for a Renewal Franchise, the Minimum Annual Gross Sales will be calculated based on the number of owner-occupied homes in your present territory. A territory encompassing up to 50,000 owner-occupied homes will reflect $75,000 per year, for a territory encompassing 50,001 to 100,000 owner-occupied homes will reflect Minimum Annual Gross Sales of $125,000 per year that your franchise renewal franchise agreement is effective, for the entire term of your franchise agreement. A territory encompassing 100,001 or over owner-occupied homes will reflect a Minimum Annual Gross Sales of $250,000 per year that your franchise renewal agreement is effective, for the entire term of your franchise agreement.

4. Franchisee will be required to pay a Weekly Royalty Fee of 6% of Gross Sales from the prior week. Monthly, refunds will be mailed to the franchisee reflecting the difference of the 6% of Gross Sales paid weekly and the percentages reflected below based on Gross Sales categories:

    - 6% on the first $500,000 in Annual Gross Sales
    - 5.5% on $500,001 to $750,000 in Annual Gross Sales
    - 5% on $750,001to $1,000,000 in Annual Gross Sales
    - 4% on all Annual Gross Sales $1,000,001 and over

    Royalties are calculated per common franchise ownership and HomeTeam makes final decision based on our Business Judgment of common ownership status. At our election, Gross Sale thresholds for refunds below the standard 6% may be adjusted effective the first day of each calendar year and will be based on the current US Inflation Rate according to U.S. Labor Department Data.

5. You must pay all fees and charges by electronic fund transfer or Automated Clearinghouse House transfer that we initiate, and sign an authorization form when you sign the franchise agreement. The authorization form is Exhibit E of the franchise agreement. The franchise agreement is attached to this disclosure document as Exhibit A.

6. Payable to the HomeTeam Branding Fund. See Item 11 of the disclosure document for an explanation of the Branding Fund.

7. The royalties, branding contributions, or other fees you pay to us may be entirely or partially subject to state or local sales, use, or value-added tax, depending upon the law in your state. If we are required to pay these taxes in your state, you must add the tax to your weekly royalty payment or branding contribution.

8. All fees are non-refundable in whole or in part, and uniformly imposed on all new franchisees. Some HomeTeam Franchisees signed a different form of franchise agreement that may require them to pay a different annual minimum royalty, annual minimum branding contribution, minimum local advertising, or renewal franchise fees. In addition, some franchisees signed a different form of franchise agreement that requires them to pay a different transfer fee.

9. You are required to use *Inspection Support Network (ISN)*, customized sales lead management and inspection software, and *CloudInspect*, which interfaces with *ISN* and enables you to input inspection data at the inspection site using a hand-held computer. The computer system, including the setup of *ISN* and *CloudInspect*, is included in your Start-up Package. Due to the continuing evolution of all aspects of technology, you may be required to pay for periodic software user fees and upgrades, if any, for the use of required software including *ISN* or *CloudInspect* as disclosed in Item 6. You may also be

required to purchase support services for required software from a supplier designated by HomeTeam. In the future, you may be required to purchase or lease other proprietary or customized software from us or from a third party designated by us.

10. You are required to use our phone system technology and the phone number assigned to you to run your business. This fee is payable to HomeTeam.

Item 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (Note 1)	$35,000 to $55,000	Lump Sum	Upon signing franchise agreement	HomeTeam
Start-up Package Fee (Note 2)	$9,800	Lump Sum	Upon signing franchise agreement	HomeTeam
Administrative Costs (Note 3)	$500 to $1,000	As Incurred	Before opening	Suppliers
Travel & Living Expenses While Training (Note 4)	$1,000 to $2,000	As Incurred	At time of training	Hotel, airline, restaurants
Insurance (Note 5)	$1,800 to $4,000	Lump Sum	Before the effective date of the policy	Insurance Company
Permits, Licenses & Professional Memberships (Note 6)	$0 to $1,000	As Incurred	Before opening	State and/or local regulatory authorities (HomeTeam will train or pay for the cost of the initial state licensing training for one person).
Additional Funds - 3 months (Note 7)	$2,000 to $4,000	As Incurred	As expenses are incurred	Employees, taxing authorities, suppliers, etc.
TOTALS (Note 8)	$50,100 to $76,800	(Does not include real estate costs)		

NOTES

1. Initial Franchise Fee. You must pay the Initial Franchise Fee in a lump sum when you sign the franchise agreement unless financing has been approved. The Initial Franchise Fee is discussed in detail in Item 5 above.

2. Start-up Package. The Start-up Package is discussed in detail in Item 5 above, and the current contents of the Start-up Package are listed in Exhibit C of the franchise agreement, which is attached to this disclosure document as Exhibit A. The contents may change without notice due to changing quantities, retiring and/or replacing items, and program availability may vary from one market to another. The Start-up Package Fee is not refundable in whole or in part, under any other circumstances.

3. Administrative Costs. This includes bank deposits, initial telephone deposits and incorporation fees.

4. Training. We do not charge a fee for the initial training, but you must pay the expenses of travel, lodging, food, wages, and workers' compensation for you and your employees during the classroom training. These expenses will range from $1,000 to $2,000 depending upon the distance and method of travel and the availability and quality of your hotel accommodations and living expenses during the classroom training program.

5. Insurance. You must obtain and maintain the types and amounts of insurance coverage described in Item 8 under the heading "Insurance." We must be named as an additional insured on these policies. We estimate that the average total annual cost for insurance coverage will be between $1,800 and $4,000. The premium is typically due prior to the effective date of the coverage unless your insurance company offers installment payment terms. Insurance costs will vary depending upon the location and size of your office, your gross revenues, the number of employees, the amount of your payroll and other factors, and may change from time to time due to changes in insurance rates and underwriting standards. You must also maintain workers' compensation coverage and any other insurance that may be required by law in your territory. The cost for workers' compensation coverage and other insurance is not included in the above chart.

6. Permits and Licenses. Nearly every state has laws that affect the building inspection industry. Most states, as well as some counties and municipalities, already require the licensing, certification, or registration of building inspectors, and those that do not are in the process of adopting licensing, certification, or registration requirements. You should assume that you will be required to obtain a license, certification, or registration to operate the franchised business. Due to the nature of the various states' licensing for home inspectors, we may substitute some or all of the inspection training aspects of the training program to a third-party training organization approved by the various states. If a third-party training organization is utilized, HomeTeam will pay the cost of the initial state licensing training for one person. The cost will vary from one locality to another.

7. Additional Funds. You should have approximately $2,000 to $4,000 of additional funds for such items as payroll expenses, initial supplies and operating expenses for the first 3 months of operation. In formulating the amount required for additional funds, we relied upon our experience in franchising building inspection businesses since 1993. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: how closely you follow our 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 this initial phase. You may also incur expenses for business license fees, professional licensing or qualification fees, legal fees, accounting fees, local permits and operating authorizations necessary to start your business, which may vary considerably from one area to another.

8. Total. The total figure listed in the above chart does not include compensation for your time or labor. Neither does the total figure take into account any finance charges, interest, debt service, or other costs which you may incur to finance all or any portion of your investment. These figures *DO NOT* include allowances for your personal living expenses; in addition to the initial investment itemized in the chart, you must have additional monies available, whether in cash or through a line of credit, or have other assets that you can liquidate or against which you can borrow, to cover your personal living expenses and any operating losses sustained during the initial phase of your business. The costs of a branded vehicle (as explained in Item 8) is not included in Item 7 because we assume that you already own a vehicle that will meet our qualifications. We recommend you operate your business from your home.

9. Non-Refundable. All expenditures are non-refundable unless specifically noted otherwise.

10. Renewal Franchise. A "Renewal Franchise" is a HomeTeam Franchise that you may be granted under section 2.2 of the franchise agreement, as a Renewal to your initial HomeTeam Franchise, for an additional ten-year term upon the expiration of this agreement. The disclosures in the above table refer only to the investment required to begin the operation of your franchise when you originally purchase it. Except for the Renewal Franchise Fee disclosed in Item 6, there is no additional investment required for a Renewal Franchise.

11. If you meet our credit standards, we will finance up to 50% of the initial franchise fee depending upon the size of the territory you purchase (see Item 5 for a detailed explanation for the territory sizes

available) at an interest rate of 12% interest for the remaining time there is an outstanding balance (see Item 10 for details of the terms of the loan).

Item 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

System Standards. You should understand that every detail of your franchised business will be important, not only to you, but to us and to every other HomeTeam Franchisee as well, in order to develop and maintain high and uniform operating standards based on the concepts of quality, consistency, reliability and professionalism; increase the demand for the services sold by HomeTeam franchises; and establish and maintain a reputation for offering uniform services exemplifying high customer service standards, ethical business practices, and integrity. A fundamental requirement of your joining and remaining a part of the HomeTeam system will be your commitment to the operation of your franchise in accordance with our system standards. During the term of the franchise agreement, you must at all times develop, maintain and operate your HomeTeam Franchise in full compliance with all HomeTeam system standards, as we may modify and supplement them in the future.

We may require you to purchase from us or from our affiliate or designated suppliers any equipment, supplies, materials, products and services that you use in operating your HomeTeam Franchise. We will provide you, in the operations manual or other written or electronic form, with a list of services and products that must be purchased from designated sources and, if required, a list of designated suppliers (which might include us, an affiliate of ours, or another supplier we designate) after you sign your franchise agreement, and we have the right to add or delete services, products, or suppliers from the list. If we or one of our affiliates is an approved supplier, you may be required to sign a purchase, lease, or supply agreement. We formulate and modify our specifications and standards for products and services based upon our research of the optimal products and services you will need to operate your HomeTeam Franchise, our investigation of the available suppliers for each product and service, and our general business experience.

Suppliers. We will provide you with a list of approved suppliers for the products and services you will need to operate your HomeTeam Franchise. Other suppliers may be approved by sending us a written request for approval by electronic mail. We are not required to notify you of our approval or disapproval within a specific time period, but we will use our best efforts to notify you within 15 days after we receive all the necessary information. We will base our approval of suppliers upon a variety of factors, including their ability to meet our standards and specifications, their quality controls, their capacity to supply our franchisees' needs promptly and reliably, and their prices. Because of price discounts, benefits or other legitimate sales incentives, we may require you to participate with us or with other HomeTeam Franchisees when purchasing certain products or services to be sold or used in your HomeTeam Franchise. We do not charge a fee for approving suppliers. We may revoke approval of any approved supplier at any time if the quality of the product and the supplier's financial condition and ability to satisfy your requirements do not continue to meet our satisfaction. There are no approved suppliers in which any of our officers owns an interest.

Materials Bearing Our Marks. Your marketing and promotional materials, business cards, business stationery, and other items bearing our trademarks, logos, and names must comply with specifications for content, size, typeface, color, and material. These specifications are contained in the operations manual. You may purchase these items from any approved supplier. Neither we nor any affiliate of ours will derive revenue from your purchases.

Start-up Package. You are required to purchase from us, or an affiliate or a supplier designated by us, a Start-up Package. The contents of the Start-up Package are listed on Exhibit C of the franchise

agreement, which is attached to this disclosure document as Exhibit A. Items in the Start-Up Package will be modified from time-to-time with some items be retired and eliminated from the Start-Up Package and some new items being added to the Start-Up Package. We will derive revenue equal to the Start-up Package Fees that you and other franchisees pay.

Vehicle Branding Allowance. As part of the Start-up package, $2,000 will be allocated in one of the two ways:

- If you own an existing vehicle that meets our standards and specifications, we will arrange for a branded vehicle wrap to be produced from our approved graphics company and installed by a vendor approved by us, and cover up to $2,000 of expense including the wrap materials, shipping and installation. Depending on the size of vehicle and location for shipping fees, you may need to pay a small amount to cover the final cost; or

- The first $2,000 of total expenses will be paid toward a lease of a vehicle with full branding from our approved leasing company (for example, if there was a $400 deposit and your total monthly payments were $400, including any shipping fees, you would begin making payments in the 5th month of the lease term).

- Branded vehicle wrap or lease of vehicle with full branding from our approved leasing company must take place within one year of the effective date of the franchise agreement or Vehicle Branding Allowance will be surrendered.

Insurance. Before opening the franchised business, you must obtain, and maintain at all times during the term of your franchise agreement, insurance coverage in the amounts we specify. Commercial General Liability Insurance covering claims for bodily and personal injury, death, and property damage with a minimum per occurrence limit of $1,000,000 and a minimum general aggregate limit of $1,000,000. Errors and Omissions Insurance with a minimum per occurrence limit of $1,000,000 and a minimum general aggregate limit of $1,000,000 or other high limits if you routinely inspect higher valued homes. Endorsements for ancillary inspection types to include mold, radon, termite, pool/spa, code, lead, carbon monoxide and septic/water at a minimum must be obtained and maintained. Automobile Liability Insurance for owned, hired, and non-owned vehicles with a minimum combined single limit of $1,000,000. Worker's Compensation Insurance that complies with the statutory requirements of the state in which the franchised business is located and Employers' Liability Insurance with a minimum limit of $100,000 or, if greater, the statutory minimum limit if required by state law.

Commercial General Liability Insurance, Errors and Omissions Insurance and Automobile Liability Insurance policies must name HomeTeam as an additional insured and must contain a waiver of subrogation in favor of the additional named insureds. No policy may have a deductible of more than $5,000. You cannot open your franchise until you have obtained all required insurance coverage. HomeTeam requires a 10-day prior written notice of termination, expiration, reduction or cancellation of insurance policies. If you fail to obtain and maintain this insurance coverage, we have the right to obtain it on your behalf and to charge you for the cost, plus interest. We have the right to increase the minimum coverage, decrease the maximum deductible, or require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. We must give you at least 30 days' written notice. Franchisor's review or verification that the franchisee's coverage complies with its contractual requirements does not reduce or eliminate franchisee's obligation to confirm its policies are in compliance. Neither HomeTeam nor any affiliate of HomeTeam currently derive revenue from your insurance purchases.

Computer Hardware and Software. To operate your HomeTeam Franchise, you will need a computer system and certain required computer programs. The systems meeting these specifications are provided for you in the Start-up Package. You are required to use *Inspection Support Network (ISN)*, customized sales lead management and inspection software, and *CloudInspect*, which interfaces with *ISN* and enables you to input inspection data at the inspection site using a hand-held computer. The computer system, including the setup of *ISN* and *CloudInspect*, is included in your Start-up Package. Due to the continuing evolution of all aspects of technology, you may be required to pay for periodic software user fees and upgrades, if any, for the use of required software including *ISN* or *CloudInspect* as disclosed in Item 6. You may also be required to purchase support services for required software from a supplier designated by HomeTeam. In the future, you may be required to purchase or lease other proprietary or customized software from us or from a third party designated by us. Except as described above, neither HomeTeam nor any affiliate of HomeTeam will derive revenue from the required computer purchases described above.

We currently require you to pay us a technology fee in the amount of $100 per month, which includes the phone number and, technology for the phone system. Any additional numbers needed for conducting your business will be an additional $10 monthly.

As a result of the sale of all required purchases and leases of products and services in the Start-Up package, listed in Exhibit C of the franchise agreement, to HomeTeam Franchisees in calendar year 2021, we received $122,125 in revenue, representing 2.4% of our total revenue in calendar year 2021 of $5,040,208 as reflected on our audited statement of income. These amounts received from sales are pass-through with no income being earned by the franchisor.

We reserve the right to derive revenue from the purchases you make from us, any affiliate we establish, as well as purchases or leases made from or by our designated and approved suppliers. Some suppliers pay us a fee made payable to the Branding Fund for sponsorships or display space at our annual convention. These fees defray the costs for the convention, but there are no specific restrictions on their use.

We estimate that the cost of goods purchased in accordance with the specifications described above will represent approximately 11% to 18% of your initial investment to commence the operation of your HomeTeam Franchise (the exact percentage will depend upon the amount of your other variable start-up expenses), and approximately 8% to 11% of your operating expenses. Except as described above, we have not established any other specifications or designated suppliers for the equipment and supplies necessary to operate your HomeTeam Franchise. We will provide you with a list of approved suppliers and suggested equipment and supplies after you purchase your franchise. Except as described above, we do not offer or sell equipment or supplies to franchisees or derive revenue from franchisees' purchases of equipment or supplies from other suppliers, although we have the right to and may do so in the future. We do not provide material benefits to a franchisee based upon the franchisee's use of designated or approved sources. Except as described above, you are not required to purchase any goods or services from any particular supplier. As the date of this disclosure document, there are no purchasing or distribution cooperatives.

Arrangements with Vendors. We have negotiated arrangements with certain suppliers to provide products and services to HomeTeam Franchisees at reduced prices. Although full retail prices for these products and services will vary from one area of the country to another, the prices applicable to HomeTeam Franchisees are generally more favorable than full retail prices for the same quality and service. These arrangements are briefly described in the list we will provide you during training.

Item 9. FRANCHISEE'S OBLIGATIONS

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	§ 1.2, Art 3	Items 11
b. Pre-opening purchases/leases	Art 3, Art 4	Items 5 & 7
c. Site development & other pre-opening requirements	None	Not applicable
d. Initial and ongoing training	§ 7.1	Item 11
e. Opening	§ 7.6	
f. Fees	Art 4, 5, 17, §§ 2.2,7.9, 11.8, 12.2(b)(13), 12.3(j), 13.3, 16.7	Items 5 & 6
g. Compliance with standards & policies/operating manual	§ 7.2, Art 9	Items 8, 11, 12 & 16
h. Trademarks and Proprietary information	Art 8, 9, 11	Item 13
i. Restrictions on products/services offered	§ 7.3	Item 16
j. Warranty and customer service requirements	§§ 7.3, 7.15	Item 6
k. Territorial development and sales quotas	§ 7.7	Items 12
l. Ongoing product/service purchases	§§ 7.3, 7.18(c) & (d), 11.8	Item 8
m. Maintenance, appearance and remodeling requirements	§§ 7.4(b), 9.3	Not applicable
n. Insurance	§ 7.11	Items 7 & 8
o. Advertising	Art 11	Items 8 & 11
p. Indemnification	Art 17	Item 17
q. Owner's participation/ management/staffing	§§ 7.8, 7.17, 7.20	Item 15
r. Records/reports	§ 7.10	Item 17
s. Inspections/audits	§ 7.10(i)	
t. Transfer	Art 12	Item 17
u. Renewal	§ 2.2	Item 17
v. Post-termination obligations	Art 14, §§ 15.2, 15.3	Item 17
w. Non-competition covenants	§§ 15.1, 15.2, 15.3	Item 17
x. Dispute resolution	Art 16	Item 17
y. Other	None	Not applicable

Item 10. FINANCING

Under rare circumstances, we will finance up to 50% of the initial franchise fee upon the terms described below. The amount we will finance depends upon the size of the territory you purchase (see Item 5 for a detailed explanation of the territory sizes available). When you sign the franchise agreement, you must sign a promissory note for the amount we will finance (a sample of the promissory note is attached to the franchise disclosure document as Exhibit E) and pay the balance of the initial franchise fee. The promissory note will be payable until all principal and interest has been paid in full as follows:

a. The note will then bear interest at a rate of 12% per year for a term not to exceed 48 months;

b. Payments will begin on the first day of the month immediately following the month in which you execute the Franchise Agreement and the payment amounts shall be equal to the applicable payment amount based on the amount financed;

The balance is payable in monthly installments according to the following Financing Payment Plan Schedule:

Territory Size	*Amount of Down Payment (minimum)*	*Amount of Note (maximum)*	*Annual Percentage Rate*	*Total Term of Note*	*Monthly Payment*
Premium	$27,500	$27,500	12.0%	48	$716.98
Standard	$22,500	$22,500	12.0%	48	$586.62
Limited	$17,500	$17,500	12.0%	48	$456.26

Payments must be made by automatic electronic fund transfer (a copy of the EFT authorization form is attached to the franchise agreement as Exhibit E). The only security we require is a personal guaranty of the notes by you and your spouse or by all the owners of a franchise that is a corporation, partnership or limited liability company (a sample of the guaranty is attached to the franchise disclosure document as Exhibit C). There will be no pre-payment penalty and, at your discretion, you may accelerate payments to save interest and reduce principal. If you do not pay the note on time, or if you breach the franchise agreement, we have the right to call the loan and demand immediate payment of the entire outstanding balance. Should you become delinquent on your note we have the right to terminate your franchise. You must pay our attorney's fees and court costs if a collection action is necessary. You waive your rights to presentment for payment and notice before a collection action may be started against you. You must pay a $25 late charge on any payment that is more than 10 days late.

In order to streamline the Small Business Association's ("SBA's") approval process for our franchisees that seek SBA financing, we will enter into the SBA's prescribed form of universal addendum. HomeTeam may also assist you in applying for and obtaining funding from other sources we have relationships with.

Except as disclosed above, we do not offer financing that requires you to confess judgment or waive a defense against us. We do not arrange financing from other sources. Commercial paper from franchisees has not been and is not sold or assigned to anyone, and we have no plans to do so. We do not guarantee your obligations to third parties.

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

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

Before you open your business, we will provide the following assistance:

1. We will approve or disapprove the boundaries of your franchise territory. The boundaries will be designated primarily by Postal Code. Your territory must be a single, undivided geographic area, and will contain between 50,000 and 150,000 owner-occupied households, although we have the right to specify a larger or smaller territory according to market size or other relevant factors (see Item 12 for a detailed explanation of the territorial restrictions). If the U.S. Postal Service alters the boundary or number of any of the Postal Code(s) assigned to your territory, or if any other boundary of your territory changes (such as the re-routing of a road used as a boundary, for example), you must notify us immediately and we will re-define the boundaries of the territory to correspond as nearly as possible to your original territory, and our decision will be final. You may not sign the franchise agreement until your territory has been designated. Franchise Agreement Article 1

2. We will provide you with a Start-up Package consisting of your technology package (including tablet computers and keyboard, and other hardware, accounting and other software programs), marketing and promotional materials, a vehicle branding allowance, business cards, uniforms, tool package, 6 months Digital Marketing Package, and other supplies you will need for the operation of the franchised business. The contents of the Start-up Package are listed on Exhibit C of the franchise agreement, which is attached to this disclosure document as Exhibit A. The Start-up Package is discussed in more detail in Item 5 of this disclosure document. Franchise Agreement § 6.1

3. We will provide written specifications and a list of approved suppliers for all equipment and supplies necessary to operate your franchise. Franchise Agreement § 6.1

4. We will provide you access to our online portal for access to our operations manual, which contains mandatory and suggested specifications, standards, and procedures, and software manuals, which contains instructions for using our customized building inspection software. These manuals are confidential and remain our property. You will be given access to each manual when you begin the initial training program. We may modify the manuals from time to time, but the modification will not alter your status and rights under the franchise agreement. The total number of pages in the operations manual is 176 with 25 instructional videos. The tables of contents of our manuals are attached to this disclosure document as Exhibit M. Franchise Agreement § 6.3

5. We will provide you with the forms and processes (primarily on a digital platform) you will use to report your sales, order supplies, and otherwise communicate with us. Franchise Agreement § 6.2

6. We will provide an initial training program. A franchisee, a principal or designated representative of the franchisee who is responsible for the general oversight and management of the franchised business must attend. Franchise Agreement §§ 6.1 and 7.1

Paragraphs 1 through 6 above refer to assistance and materials we provide to new franchisees before they open their franchise. If you are acquiring a Renewal Franchise, you already received these materials and assistance before you opened your HomeTeam Franchise and they will not be offered to you. You will be permitted to continue to use our manuals and proprietary or customized operations software, on loan or under license, respectively, to operate your Renewal Franchise.

Length of Time to Open Franchise. Franchisees typically begin operating their franchises an average of 30 to 60 days after the earlier of signing the franchise agreement or the first payment of consideration. The factors that affect this time are the availability and timing of your financing, your previous employment commitments (if any), and your ability to complete our training program, comply with licensing requirements in your jurisdiction, and schedule your initial marketing campaign. You must open your franchise within 6 months after you sign the franchise agreement or

we have the right to terminate your franchise without refunding any fees you have paid. Franchise Agreement §§ 7.6 and 13.1(c)

During the operation of the franchised business, we will provide the following assistance:

1. We will provide you with assistance to the extent we deem necessary. Franchise Agreement § 6.1

2. We will provide you with periodic communication including email, newsletters, and such other materials, information, and assistance as we may deem necessary. Franchise Agreement § 6.1

Advertising. We will provide you with a number of pre-approved advertisements in a digital format for use in various media. If you wish to use an advertisement that we have not provided and that has not been previously approved, or advertise in a medium or with an advertiser that has not been previously approved, you must submit it to us by electronic mail for approval. The approval of advertising will be made on a case-by-case basis using purely subjective criteria. All of your advertising in any medium must be conducted in a dignified manner, be completely accurate and truthful, conform to standards and requirements listed in the operations manual and to all applicable laws and regulations regarding consumer advertising, contain a notice that your franchise is independently owned and operated. Any advertisement that you develop for your HomeTeam Franchise automatically becomes our property, and we may use it for our other franchisees without compensating you. There is no advertising council that specifically advises us on advertising policies, although we do have a Franchisee Advisory Council (see below). Franchise Agreement §§ 1.4, 11.6 – 11.7

HomeTeam Web Site. We maintain a website to promote our franchisees' services and to provide contact information for HomeTeam locations. We will provide you with personalized web pages on our web site at no cost to you. You may not establish your own web site, web page, or URL for your franchised business or that uses any of our trademarks. You may not advertise your services or use our trademarks in any listing, banner, advertisement, or any other service or link on or to the Internet, World Wide Web, Internet service providers, electronic mail services, communication providers, search engines, or similar services, without our prior written approval. We will provide you with an e-mail account, which you are required to use for all electronic communications for the franchised business. You may purchase additional email addresses, subject to our approval, for a $50 annual fee per email address. Franchise Agreement §§ 8.5 & 11.7

Digital Marketing Package**.** Although we are not required to do so by the franchise agreement, we, in conjunction with a variety of third-party vendors, have developed a Digital Marketing Package (the "DMP") as a way to enhance local online marketing for HOMETEAM Franchisees. The DMP fee is at a cost of $229.00 per month. We have the right to change the amount of the fee (Franchise Agreement §5.5). The DMP currently includes the following but these services are subject to change:

a) Ongoing SEO services and reporting – You will receive monthly web traffic reports and periodic updates to improve search visibility of your local website.
b) Facebook, Google My Business, and Instagram pages – You will have a professionally managed Facebook, Google My Business, and Instagram Page for your local franchised business.
c) Local Directory Listings Syndication – NAP (Name, Address, Phone Number) Information will be broadcast to local search directories.
d) Review Solicitation – Clients will receive feedback surveys and review requests and these reviews will be available through your local website.

e) Reputation Management Program – Positive reviews will be used to solicit positive reviews on local search directories. Both positive and negative reviews will receive responses.

Technology. We currently require you to pay us a technology fee in the amount of $100 per month, which includes the phone number, and technology for the phone system. Any additional numbers needed for conducting your business will be an additional $10 monthly. We have the right to modify the terms of payment or the amount of the technology fee at any time and in our sole discretion.

Franchisee Advisory Council. We have established a franchisee advisory council (the "Council"). The purpose of the Council is to promote constructive, open and two-way communications between our franchisees and our management, make franchisees, as a group, an integral part of our planning as we continue to grow and develop our franchise system, and address and resolve concerns of common interest before they develop into major issues. The Council serves in an advisory capacity only and does not have authority to establish or modify our policies or to direct or control the uses of our branding fund or policies. The Council has 5 members. Any HomeTeam Franchisee in good standing is eligible to serve on the Council. Each elected member is elected by a majority vote of franchisees attending our annual franchisee convention. We have the power to form, change and dissolve the Council.

Advertising Cooperatives. We do not currently have a local or regional advertising cooperative and have no plans to form such cooperative in the immediate future. Franchise Agreement § 11.8

Branding Fund. Each franchisee is required to pay a weekly branding contribution of 3% of Gross Sales to a branding fund (the "Branding Fund"). If the weekly branding contributions that you pay in each year that your franchise agreement is effective total less than 3% of your Minimum Annual Gross Sales for that year, you must also pay the difference to the Branding Fund within 15 days of the anniversary date after the effective date of the franchise (see Item 6 and 12 for an explanation of Minimum Annual Gross Sales). All branding contributions are maintained in a separate account and must be spent on advertising, promotion and marketing of the services provided by HomeTeam Franchises, the development of the HomeTeam brands, plus administrative costs associated with the maintenance of the Branding Fund. We are reimbursed for postage, labor, and other expenses provided to the Branding Fund. We are also reimbursed for any loans made to the Branding Fund. Each franchisor-owned location must contribute to the Branding Fund on the same basis as franchisees. The Branding Fund is not and will not be an asset of HomeTeam. Except as disclosed above, neither HomeTeam nor any affiliate receives any payment from the Branding Fund. Franchise Agreement §§ 5.3, 5.4 and 11.2

The Branding Fund exists for the development of the brand on a national scale to benefit the franchise owners at the local level. The Branding Funds, all contributions thereto, and any earnings thereon, shall be used exclusively to meet any and all costs of advertising and/or promotional activities, including the costs of preparing, testing and conducting marketing campaigns in various media; direct mail and outdoor billboard advertising; marketing surveys and other public relations activities; employing advertising agencies to assist therein; product development; maintaining and improving digital assets, and developing and providing promotional and other marketing materials for HomeTeam Franchisees.

The Fund is administered by us. The Fund is not and will not be an asset of ours. During the one-year period ending on December 31, 2021, the Fund's total receipts were $1,554,085 and total expenses were $1,374,170, of which 43% was spent for national branding and advertising on behalf of franchisees, 22% for staff and administrative expenses, 3% for sponsored advertising, 4% for internet and technology costs, 3% for Media Relations, 5% for tradeshows, 15% for franchisee

meetings, 4% for creative costs, and 1% for equipment and merchant fees. There were sufficient funds to cover expenses in the Fund.

We are not required to spend any amount on advertising in your territory. No portion of the Branding Fund is used for advertising that is principally a solicitation for the sale of franchises, but we reserve the right to include a notation in any advertising indicating franchises are available. If all branding contributions are not spent in the fiscal year in which they accrue, expenditures made from the Branding Fund in the following year(s) will be made first out of accumulated earnings from previous years (if any), next out of earnings in the current year, and finally from contributions. The Fund is not audited, but an unaudited annual financial statement of the Fund is available to any franchisee after April 1 of each year. Franchise Agreement §§ 11.1 – 11.3

Computer System. To operate your HomeTeam Franchise, you will need a computer, tablets, a printer, accounting and other software programs (latest version). The minimum hardware and software specifications are listed in the operations manual. We provide the computer hardware and software listed above in your Start-up Package.

You will also need a high-speed Internet connection for communication and file transfer. Neither HomeTeam nor any affiliate of HomeTeam will derive revenue from the required Internet connection.

In addition to the software listed above, you are required to subscribe to and use web-based enterprise management software developed specifically for the home inspection industry and marketed under the brand names "Inspection Support Network" and "CloudInspect" by a company named Inspection Support, LLC located in Las Vegas, Nevada. Inspection Support, LLC is not affiliated with HomeTeam. You will use Inspection Support Network and CloudInspect software to maintain information about your clients, prepare and print contracts, inspection reports and invoices, maintain the financial records of the franchised business, access Internet sites, and communicate with prospective and current clients, referral sources, suppliers, us, and others via e-mail. You will be required to enter into a terms of use agreement with Inspection Support, LLC and pay Inspection Support, LLC a license fee of $1.10 per inspection report for CloudInspect and $2.20 per inspection for Inspection Support Network with a minimum of $35 per month for Inspection Support Network which includes a phone number for SMS services. The total monthly cost will vary depending on the number of inspections you generate. There is no charge for set-up or installation of the Inspection Support Network software.

We have entered into an agreement with Inspection Support, LLC. that prohibits it from increasing the license fees payable by our franchisees by more than 10% over the rate charged during the previous 3-year term.

Because Inspection Support Network and CloudInspect software are web-based (which means you will access it via the Internet instead of loading it onto your computer), your terms of use agreement will require Inspection Support, LLC to use commercially reasonable means to provide round-the-clock access to the software. Inspection Support, LLC will have no other obligation to provide ongoing maintenance, repairs, upgrades, or updates for Inspection Support Network and CloudInspect software. We will have independent access to the information that will be generated and stored on Inspection Support Network and CloudInspect. You must provide us with independent access to all of the information that will be generated and stored on your computer system if we request it. There are no contractual limitations on our right to access the information. You are contractually required to upgrade and update your computer system as we require during the term of the franchise. There are no limits on the costs you may incur to upgrade or update. We currently do not require you to purchase a maintenance, repair, update, or upgrade service contract for your computer system, but

we have the right to do so in the future. We do not know the annual cost of any optional or required maintenance, repair, updating, upgrading, or support contracts. Neither we nor any of our affiliates or any third party is obligated to provide ongoing maintenance, repairs, upgrades, or updates to your computer system. Although the cost of the computer system is included in your Start-up Package (Franchise Agreement §§7.18 and 9.3 and Exhibit C), we estimate that it would cost $2,100 if you purchased all the components separately.

Location of Franchised Business. You will operate the franchised business from a single office site. We do not select or approve a site, or provide you with assistance in selecting a site, for the franchised business. We do not impose any restrictions upon the location of your office. We recommend that, initially, you operate your franchise from your home, provided that doing so will not violate any zoning or building code or other ordinance. After your business matures and grows, you may wish to rent modest office space. If you elect not to operate your franchise from your home, the location should be geographically convenient to the more densely populated areas of your territory and to major thoroughfares. You are not required to operate the franchised business from a site within your territory, but you must maintain a business address in your territory, that address must be acceptable under Google My Business (GMB) guidelines (which currently includes the ability to receive mail, have signage, and someone working there during posted business hours). The telephone number for your franchise must be listed under an address or other location in your territory, and you are not permitted to advertise or promote your franchised business in another franchisee's territory (see Item 12 for a detailed explanation of the territorial restrictions). You must provide us with the address of the location and notify us promptly of any change. Franchise Agreement Article 3

Training. Prior to opening your HomeTeam Franchise, we will provide one week of training for up to 2 attendees at our home office in Milford, Ohio or other location that we designate. The initial training program is mandatory—either the franchisee or a representative of the franchisee designated as responsible for the general oversight and management of the franchised business must complete the initial training program to our satisfaction. Our standard training program is outlined in the table below. Due to the nature of the various states' licensing for home inspectors, we provide third party inspection training approved by the various states. We will assist you with our experience and contacts, but you will be solely responsible for investigating and complying with the requirements that apply in your territory. Training is typically scheduled on a monthly basis subject to demand. We do not charge a fee for the initial training program, but you are responsible for paying the costs of travel, lodging, meals and compensation for you and your employees (if any) during the training program. The agenda of the standard initial training program is listed below. We may terminate the Franchise Agreement if you fail to complete initial training to our satisfaction within six months after Effective Date. Franchise Agreement §7.1

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Online Orientation and Training	0	5(Pre-training)	Webinar
Business Planning	3	0	Milford, Ohio
Technology	2	0	Milford, Ohio
Scheduling	1	0	Milford, Ohio
Hiring	2	0	Milford, Ohio
Accounting and Finance	2	0	Milford, Ohio
Legal	2	0	Milford, Ohio

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Sales and Marketing	5	0	Milford, Ohio
Digital Marketing	1	0	Milford, Ohio
Customer Relationship Management	2	0	Milford, Ohio
Relationship Selling	2	0	Milford, Ohio
Sales Presentations	2	2	Milford, Ohio
Inspection Standards	2	0	Milford, Ohio
Inspection Process	3	3	Milford, Ohio
Report Writing	3	3	Milford, Ohio
Mock Inspections and Review	0	8	Your Territory
Sales Training and Coaching	0	12	Your Territory

Our operations manual and *ISN/CloudInspect* online instruction manuals are the instructional materials for the initial training program. The names and qualifications of the training instructors are:

- Paul Spires, Jr. is our founder and has been a member of our Board of Directors since our organization in December 1992, our Treasurer since June 1995, and our Chairman since July 2007. He was our Chief Executive Officer from May 1998 through June 2007. Paul is the founder and President of Trigon Imaging Systems, Inc. since July 2008, and since 1985 has been a real estate investor in both multi-family residential and commercial properties.
- Adam Long is our President. Adam has been with HomeTeam in various capacities since 2004. He has experience in all aspects of the operation of a HomeTeam Franchise, including, marketing, operations, legal, inspections and reporting. Adam has a master's degree in business administration and is a Certified Franchise Executive (CFE).
- Walter (Buddy) Stark III is our Vice President, Franchise Operations. Buddy joined HomeTeam in April of 2016. Buddy has more than twenty years' experience in sales, training and management in industrial automation products and services. Buddy has trained manufacturers' representatives and distributors for global corporations including ABB, Siemens, and Toshiba. He also has project management experience in residential and commercial construction as well as a home inspection training certificate from The ASHI School.
- Krista Rice joined our staff in June of 2016. She has prior experience in contact center operations and quality management. Her primary role is training and quality control as FrontOffice Manager.
- Sara Pettit joined our staff in December of 2012. She is our franchise paralegal and holds a degree in Paralegal Studies from the University of Cincinnati. She has extensive experience in business start-up, home inspection regulation and litigation, has started many businesses and is a business owner of two successful businesses.
- Chris Zimmerman joined our staff in August of 2014 as a franchise support representative. He has prior experience in sales, operations, Human Resources, and technology. Chris is a previous business owner and has extensive experience with business start-ups.

- James Steffen joined our staff in April 2016 to manage technology support. He has over 30 years' experience with technology support having worked for Apple, several non-profits, and consulting for hundreds of small businesses. James is a small business owner and has started several companies himself.
- Taylor Martin joined our staff in January of 2014. She graduated with a bachelor's degree in Graphic Design from Northern Kentucky University and is our Marketing Manager.

Additional Training. Although we are not contractually obligated to do so, we may offer to train your inspectors and management employees. You must pay the travel and living expenses for your personnel during the training program. We may require you to attend additional training programs after your successful completion of the initial training program. In the past we have not charged franchisees a fee for additional training, but we have the right to do so in the future (Franchise Agreement §§ 7.1, 13.1).

Annual Convention. Although we are not required to do so by the franchise agreement, we hold an annual convention for HomeTeam Franchisees, typically in January or February, to discuss sales techniques, operation procedures, marketing methods, and to introduce new software, marketing programs, or promotional items. We charge a fee to attend the convention. The convention fee for the 2021 convention was $999 for a single person and $1,299 for a couple, but we have the right to change the amount of the fee. You must also pay all your travel and additional living expenses to attend the convention. You are not required to attend the annual convention, but you must pay the convention fee every year in three equal monthly payments during the months of May, June and July, or in full if you prefer, by July in the year prior to the Annual Convention, regardless of whether you attend. (Franchise Agreement § 7.19).

Item 12. TERRITORY

Your franchise agreement will give you the right to operate a HomeTeam Franchise within a specific territory. Your territory will be delineated primarily by Postal Codes. Some HomeTeam Franchisees signed a different form of franchise agreement (generally those effective before October 2007) with territories delineated not by Postal Codes but by roads, political boundaries, or geographic boundaries, or a combination of these. For that reason, boundaries of your territory that are shared with existing HomeTeam Franchisees (*i.e.*, your territory is on one side of the boundary and another HomeTeam Franchisee's territory is on the other side) may be delineated by roads, political boundaries, or geographic boundaries, or a combination of these. We obtain our demographic information from a geographic information solution (GbBIS) and information system that is a division of Intelligent Direct Inc. In most cases, a franchise territory will contain 50,001 to 100,000 owner-occupied households. This is our Standard franchise territory. We also offer a Premium territory that will contain 100,001 to 150,000 owner occupied households. To bring our brand to more areas, in a business conscious way, we offer a Limited franchise territory size in areas that are geographically limited. These territories are atypical. The Limited franchise territory will encompass up to 50,000 owner occupied households. As stated below and due to the referral nature of the home inspection industry, your territory is protected from other franchisees marketing in your territory and performing inspections for clients who have a real estate agent within your territory. We will not operate or establish or authorize another to operate or establish a HomeTeam Franchise in the territory.

We will grant you an exclusive territory. Every HomeTeam Franchisee is required to abide by the following territorial restrictions:

1. You may not solicit clients or Referral Sources in another franchisee's territory, and other HomeTeam Franchisees (including us) may not solicit clients or Referral Sources in your territory. A "Referral Source" is a person or organization that, due to its purpose or the nature of its business, regularly encounters opportunities to recommend building inspectors to the general public or to the Referral Source's customers, clients, or members. Referral Sources include real estate agents and brokers, banks, relocation companies, title agents, real estate attorneys, appraisers, mortgage brokers, mortgage lenders, and financial institutions. Upon first contact with a Referral Source, it is your burden to ascertain whether their location is in your territory. The solicitation of clients or Referral Sources in another franchisee's territory would be a breach of your franchise agreement, for which we may terminate your franchise.

2. Although you are permitted to solicit clients and Referral Sources in areas that are not licensed to other franchisees, you do not acquire any rights to any areas outside your territory, including any right to compensation if the area becomes part of another franchisee's territory. We are not required to notify you before we grant another franchise for any area, even if the area is adjacent to your territory and/or you have been operating your franchise in the area. You must immediately stop operating in any areas that become part of another franchisee's territory as soon as we notify you.

3. You may not inspect a structure located within the franchise territory of another HomeTeam Franchisee without the other franchisee's prior written consent, unless both of the following circumstances exist: (1) your client is represented by a real estate agent in connection with a proposed or pending sale or purchase of the structure, and (2) that agent's principal office is located within your territory at the time of the inspection. You may NOT inspect a structure, wherever located (even if located in your territory), without another HomeTeam Franchisee's prior written consent if both of the following circumstances exist: (1) your prospective client is represented by a real estate agent in connection with a proposed or pending sale or purchase of the structure, and (2) that agent's principal office is located within the franchise territory of the other HomeTeam Franchisee at the time of the proposed inspection. Except as limited above, you may inspect any other structures, wherever located. If a dispute arises between you and another HomeTeam Franchisee involving an alleged infringement by one of the parties into the other party's territory, you may not initiate a lawsuit without first attempting in good faith to settle the dispute by confidential, non-binding mediation before an independent, third-party mediator. We have the right, at our option, to be a party to the mediation.

There are no other restrictions on your right to solicit or accept orders from clients outside of your territory.

We retain all rights not specifically granted to you by your franchise agreement, including the right to operate a HomeTeam outlet anywhere *outside* your franchise territory, or license other HomeTeam outlets or other businesses substantially similar to a HomeTeam outlet (whether under the HOMETEAM trademark or other trademarks) to operate anywhere *outside* your franchise territory, regardless of the proximity of those office locations to you or your office, or the impact those outlets may have upon your franchised business. We also have the right to operate or franchise a business *inside* your territory that uses any channel of distribution to sell goods or services similar to those that you will offer, so long as it does so under different trademarks from the ones you will use under the franchise agreement. However, neither we nor any affiliate of ours presently operates, franchises, or has plans to operate or franchise, a business under a different trademark that sells or will sell goods or services similar to those that you will offer. Except as described in the preceding

paragraphs of this Item 12, there are no other restrictions on us from soliciting or accepting orders from clients inside your territory.

Minimum Annual Gross Sales. You will be required to achieve a minimum sales volume, or "Minimum Annual Gross Sales", each year after the HomeTeam Franchise is open. If your territory is a Limited territory, you will be required to achieve a minimum sales volume, or "Minimum Annual Gross Sales," of $25,000 at the end of the first year after your HomeTeam franchise is open, $50,000 at the end of your second year after your HomeTeam franchise is open, and $75,000 at the end of your third year after your HomeTeam franchise is open and each year thereafter. If your territory is a Standard territory, you will be required to achieve a minimum sales volume, or "Minimum Annual Gross Sales," of $50,000 at the end of the first year after your HomeTeam franchise is open, $85,000 at the end of your second year after your HomeTeam franchise is open, and $125,000 at the end of your third year after your HomeTeam franchise is open and each year thereafter. If your territory is a Premium territory, you will be required to achieve a minimum sales volume of $75,000 at the end of the first year after your HomeTeam franchise is open, $125,000 at the end of your second year after your HomeTeam franchise is open, and $250,000 at the end of your third year after your HomeTeam franchise is open and each year thereafter.

If you are entering into an agreement for a Renewal Franchise, the Minimum Annual Gross Sales will be $75,000 per year for a territory encompassing up to 50,000 owner-occupied households, $125,000 per year for a territory encompassing 50,001 to 100,000 owner-occupied households and $250,000 for a territory encompassing 100,001 or more owner-occupied households each year that your renewal franchise agreement is effective.

If you fail to achieve the Minimum Annual Gross Sales, we have the right to terminate your franchise agreement or reduce the size of your territory. Your rights to your territory are not otherwise dependent upon your achievement of a certain sales volume, market penetration, or other contingency. If the U.S. Postal Service alters the boundary or number of any Postal Code(s) assigned to you, or if any other boundary of your territory changes (such as the re-routing of a road used as a boundary, for example), you must notify us immediately and we will re-define the boundaries of your territory to correspond as nearly as possible to your original territory. Our decision on this matter will be final. You maintain the rights to your territory even if the number of owner-occupied households increase. We will not change the boundaries of your territory when you acquire a Renewal Franchise, even if the number of owner-occupied households in your territory has increased or decreased since you originally purchased your franchise. There are no other circumstances that would permit us to modify your territorial rights without your consent.

You will operate the franchised business from a single office site. We do not select or approve a site or provide you with assistance in selecting a site for your office. We do not impose any restrictions upon the location of your office. We recommend that you locate your office in your home, provided that doing so will not violate any zoning or building code or other ordinance. Your office is not required to be located within your territory, but you must maintain a business address in your territory, and that address must be acceptable under Google My Business (GMB) guidelines (which currently includes the ability to receive mail, have signage, and someone working there during posted business hours) and used in all of your advertising and in all telephone directory listings for the franchised business. Your office should be geographically convenient to the more densely populated areas of your territory and to major thoroughfares. You may relocate your office at any time without our approval, so long as you promptly provide us with the address of the new location. Although, given the geographic size of a typical territory, it is neither necessary nor advisable to operate your franchised business from more than one location; we do not prohibit you from doing so long as you provide us with the address of each location.

Your franchise agreement does not give you any option, right of first refusal, or similar right to acquire additional franchises.

Item 13. TRADEMARKS

If you purchase a HomeTeam Franchise, you will use our trademarks to identify your building inspection business. You may use no other name or trademark without our approval.

Our principal trademark is the word mark HOMETEAM and the logo on the cover of this disclosure document. We have registered all our Principal trademarks listed below on the Principal Register of the U.S. Patent and Trademark Office ("USPTO"). We have filed all required affidavits in connection with the registrations listed below.

Registration No.	Description of Mark	Date of Registration	Renewed
1,814,201	THE HOMETEAM INSPECTION SERVICE Word Mark	December 28, 1993	December 20, 2013
3,249,579	ONE CALL DOES IT ALL Word Mark	June 5, 2007	November 27, 2016
3,538,012		November 25, 2008	December 22, 2017

We registered the marks listed below with the Canadian Intellectual Property Office ("CIPO").

Registration No.	Description of Mark	Date of Registration
TMA649,556	The HomeTeam Inspection Service	October 4, 2005
TMA794070	HomeTeam & SWIRLING HURRICANE HOUSE & DESIGN	March 28, 2011

You must follow our rules when you use these marks. You cannot use a name or mark as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You cannot use a name or mark on or as part of any web site, domain name, URL, web page, electronic mail address, listing, banner, advertisement or any other service or link on, to or with the Internet, Internet service providers, electronic mail services, communication providers, search engines, or other similar services. You cannot register a name or mark as a trademark or domain name. You cannot use any of the marks in connection with the sale of an unauthorized product or service or in a manner not authorized by HomeTeam. You must not use, in advertising or any other form of promotion, any of our trademarks or commercial symbols without the appropriate notices that we or the law may require, including, ®, SM, or other trademark notice.

There are no currently effective material determinations of the USPTO, Trademark Trial and Appeal Board, the trademark administrator of this state, or any court; pending infringement, opposition or cancellation; or pending litigation involving the marks.

There are no currently effective material determinations of the CIPO, pending infringement, opposition or cancellation; or pending litigation involving the marks.

You must notify us immediately when you learn about any infringement of or challenge to your use of any of our marks. We will take whatever action we think appropriate; however, we are not

required to take any affirmative action. We are not required to protect your right to use our marks or protect you against claims of infringement or unfair competition arising out of your use of our marks. We are not required to participate in your defense or indemnify you for your expenses or damages if you are a party to an administrative or judicial proceeding involving any of our marks, or if the proceeding is resolved unfavorably to you. We have the right to control any administrative proceedings or litigation involving any of our marks.

You must modify or discontinue your use of a mark and adopt any new or replacement marks at your expense if we modify or discontinue a mark or adopt a new or replacement mark. We are not required to reimburse you for your costs if you do. You must not directly or indirectly contest our right to our trademarks, trade secrets or business techniques that are part of our business.

The following agreements limit our rights to use or license the use of trademarks listed in this Item 13:

1. Centex Corporation, a Texas company, has developed a division of their business named HOME TEAM SERVICES currently doing business in several locations within Texas, Arizona, California, Florida, West Virginia, North Carolina, Virginia, Nevada, New Mexico, Washington D.C, and South Carolina. Centex was acquired by Rollins, Inc. The HOME TEAM SERVICES, which was renamed HOMETEAM PEST DEFENSE, division of Rollins includes home remodeling and contracting services, home security services, pest control services, and other environmental services. Although their businesses do not include home inspection services, Rollins' use of the HOME TEAM SERVICES name may infringe upon our federal registration. In return for Rollins promising not to enter the home inspection market or provide WDO reports (incident to pest inspections), we have informally agreed to co-exist with Rollins without challenging each other's use of the HOMETEAM name. In the event of a breach of the informal agreement, you may face competition from Rollins and HOMETEAM has the right, but not the obligation, to pursue enforcement of the informal agreement.

2. A real estate brokerage based in Dallas, Texas, named Ebby Halliday Real Estate, Inc. ("EHRE"), filed suit against two Dallas/Ft. Worth-area HomeTeam Franchisees on August 31, 2000, to stop them from using the HOMETEAM name (Ebby Halliday Real Estate, Inc. v. James L. Wieting, Joe Holmes and Brian Lee, Dallas County District Court Case No. 00-07036). EHRE claimed a superior right to use the name HOME TEAM in the State of Texas, and claimed that our franchisees' use of the HOMETEAM mark infringed upon their HOME TEAM mark. In March 2001, EHRE and HomeTeam agreed that each party could continue to use their mark in the State of Texas without interference from the other party. HomeTeam also agreed to include a notice in all local advertising in the Dallas/Ft. Worth market (defined as the Texas counties of Dallas, Tarrant, Collin, Denton, Rockwall, Ellis, Johnson, Kaufman, Parker, Wise, Cooke and Grayson), disclaiming any affiliation with EHRE, and to prohibit our franchisees in that market from calling on EHRE offices without prior permission. The parties voluntarily dismissed the lawsuit.

Except as disclosed above, we do not have actual knowledge of any other infringing uses that could materially affect your use of our marks. Except as disclosed above, no agreements limit our right to use or license the use of our marks. There may be other building inspection businesses or real estate agencies using the name HOMETEAM whose use predates our first use of the name. We and our franchisees may not be able to use the name HOMETEAM in the market areas of other building inspection businesses or real estate agencies using the name HOMETEAM or similar names.

Item 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We have no patents or pending patent applications that are material to the franchise.

We have not obtained any copyright registrations, but we claim common law copyrights in our operations manual, proprietary and customized software, marketing materials, and any other original and proprietary works developed by us. All such materials will bear copyright notices. We will retain all rights and interests in such materials. There are no agreements currently in effect that significantly limit our rights to use or license the use of the copyrights in any manner material to the franchise.

We have developed a distinctive system for the operation of a building inspection business. Our system includes pricing methods, management techniques, proposal and management forms/formats, specifications, procedures, knowledge and expertise in the operation of a building inspection business, much of which is not commonly known to the public or to our competitors, gives us an advantage over competitors who do not know or use it, and which we have identified or may identify as proprietary and confidential information. We will disclose proprietary and confidential information to you in the operations manual, during ongoing training seminars, and in guidance furnished to you during the term of your franchise agreement.

You will not acquire any interest in any proprietary and confidential information we may communicate to you, other than the right to utilize it in the operation of your franchised business during the term of your license agreement. The information is disclosed to you solely on the condition that you (1) will not use it in any other business or capacity; (2) will maintain the absolute confidentiality of the information during and after the term of your franchise agreement; (3) will not make unauthorized copies of any portion of the operations manual or any other written communication from us; and (4) will adopt and implement all reasonable procedures we may require to prevent unauthorized use or disclosure of the information, including restrictions on disclosure of the information to employees of the franchised business and the use of nondisclosure and noncompetition clauses in employment agreements. All shareholders, officers, directors, partners, members, managers, or trustees of the franchisee are presumed to have access to proprietary and confidential information, and must sign a Nondisclosure and Noncompetition Agreement to maintain the confidentiality of the proprietary and confidential information and conform to the noncompetition covenants described in Item 15 below. A copy of the Nondisclosure and Noncompetition Agreement is attached to this disclosure document as Exhibit D.

There are no effective determinations of the U.S. Copyright Office, no pending infringement, opposition or cancellation, nor any pending material litigation involving any of the items or information in which we claim copyrights that are material to a HomeTeam Franchise.

You must notify us immediately when you learn about any infringement of or challenge to your use of our copyrighted materials. We will take whatever action we think appropriate. We are not required to defend you against a claim against your use of our copyrighted materials or indemnify you for your liability or expenses arising from your defense of such a claim. We are not obligated to protect any of our copyrights.

You must not use, in advertising or any other form of promotion, any of our copyrighted materials, trademarks, or commercial symbols without the appropriate notices which we or the law may require, including © or other copyright registration notice. You must discontinue your use, at your expense, of any item or information in which we claim a copyright if any party demonstrates to our satisfaction a superior right to the use of such item or information. We are not required to reimburse you for your costs if you do. You must not directly or indirectly contest our right to any item or information in which we claim a copyright.

Item 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

At all times you or a designated representative shall devote his or her full time, energy, and best efforts to the management and operation of the Franchised Business. The Franchised Business must at all times be under the direct supervision of you or a designated representative. The representative must be approved by us and must have successfully completed our training program. No individual franchisee or owner of a non-individual franchisee may compete with us or own an interest in any competitor of ours anywhere during the term of your franchise agreement or within your franchised territory for 2 years after the expiration or termination of your franchise agreement. No individual franchisee or owner of a non-individual franchisee may contact any Referral Source within 25 miles of your franchise territory for the purpose of promoting a building inspection business for 2 years after the expiration or termination of your franchise agreement. Each owner of a non-individual franchisee must sign a Guaranty and Assumption of Obligations (a copy is attached to this disclosure document as Exhibit C) personally guaranteeing all of the franchisee's obligations under the franchise agreement, and a Nondisclosure and Noncompetition Agreement (Exhibit D) to maintain the confidentially of any confidential information about us, our system, or your franchised business that may be disclosed to him or her.

Item 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

There are no restrictions on the goods or services you may offer for sale, except as described below in this Item 16.

You must operate your franchised business under the trade name HOMETEAM INSPECTION SERVICE. You may use no other names for your franchised business without our approval.

If you operate the franchised business from a location other than your home, you may not use the premises on which the franchised business is located for any purpose other than the operation of a HomeTeam Franchise and the sale of authorized products and services, without our approval.

You may offer and sell only those goods and services that we have approved in writing. You must offer all goods and services that we designate as required for all franchisees. These required services are single-family residential whole-house inspections. We have the unlimited right to add or delete authorized products and services that you are required to offer. We have the right to designate some products and services as optional for franchisees. We also have the right to designate some products and services, such as home warranties, as optional for franchisees in certain markets.

You may solicit business only from real estate agents and other Referral Sources that are not located within another HomeTeam Franchisee's territory. You may perform inspections anywhere, even in another franchisee's territory, so long as the client was referred to you by a real estate agent in your territory. If there is no real estate agent involved in the inspection, then you may perform the inspection only if the structure is not located within another franchisee's territory (see Item 12 above for a more detailed explanation of territorial restrictions).

Item 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the Franchise Term	2.1	10 years
b. Renewal or extension	2.2	There is no right to renew your franchise, but we will grant you a Renewal franchisor for another 10-year term for a fee of $2,500. If you do not sign a Renewal agreement but continue to operate as a HomeTeam Franchisee, your agreement with HomeTeam will continue on a month-to-month basis until HomeTeam provides notice to you of its intent to terminate this extended period or the parties enter into a renewal agreement.
c. Requirements for franchisee to renew or extend	2.2	You must have complied with the franchise agreement throughout the term; followed mandatory specifications, standards and operating procedures, and marketing programs; give notice between 6 and 12 months before franchise agreement expires; execute then-current form of franchise agreement, the terms of which may materially differ from the original Franchise Agreement; complete any refresher training required; sign general release of claims; and pay a renewal franchise fee of $2,500. You must sign a contract with materially different terms and conditions than your original contract.
d. Termination by franchisee	None	You have no right to terminate your franchise.
e. Termination by franchisor without cause	None	Not applicable
f. Termination by franchisor with cause	13.1 & 13.2	We can terminate only if you are in default.
g. "Cause" defined – curable defaults	13.2	You have 30 days to cure: fail to pay fees, fail to submit reports, understate Gross Sales, failure to attain Minimum Annual Gross Sales, fail to operate the franchised business in compliance with franchise agreement, the operations manual, and the system standards, and any other default not listed in section 13.1.
h. "Cause" defined – non-curable defaults	13.1	Non-curable defaults: fail to complete initial training program to our satisfaction within 6 months after franchise agreement signed, fail to open franchise within 6 months after franchise agreement signed, fail to achieve Minimum Annual Gross Sales, fail to maintain franchised business in continuous operation, certain assignments, fail to comply with applicable law, unapproved transfers, misrepresentation or omission in connection with the acquisition of the Franchise, knowingly submit false report or maintain false books or records, 4th breach of same term within 1 year, 3rd breach of section 15.1, bankruptcy[1], seizure of or execution against your franchise, unsatisfied or unappealed judgment against franchisee, certain criminal misconduct, conduct which reflects negatively on the system, danger to public.
i. Franchisee's obligations on termination/nonrenewal	Article 14	Cease operating franchise, cease use of confidential information and Marks, return manuals, software, records, files, and all materials containing Marks, complete de-identification, cancel assumed name registration, assign or cancel telephone numbers and websites, pay outstanding amounts and damages, obtain tail coverage for insurance, comply with restrictions on post-termination competition (also see r, below).

Provision	Section in Franchise Agreement	Summary
j. Assignment of contract by franchisor	12.1	No restriction on our right to assign.
k. "Transfer" by franchisee - definition	12.2	Includes transfer of contract or assets, ownership change, and encumbrance.
l. Franchisor approval of transfer by franchisee	12.2	We must approve all transfers but may not unreasonably withhold consent.
m. Conditions for franchisor approval of transfer	12.2	All your financial obligations and transfer fee paid, transferee qualifies, purchase contract is submitted to us for review and approval, you and transferee release claims, transferee attends discovery day, signs current agreement, releases claims against us for your representations, completes training program, purchases Start-up Package, and completes training (also see r, below). You may not transfer to a competitor or grant any security interest in your franchise. Any brokers' fees or commissions that arise because of the transfer must be paid by you.
n. Franchisor's right of first refusal to acquire franchisee's business	12.4	We can match any offer for your business.
o. Franchisor's option to purchase franchisee's business	None	Not applicable
p. Franchisee's death or disability	12.5	Your heirs may inherit your franchise provided they qualify and meet other requirements for transfer (see m, above). Your estate has 180 days in which to sell, assign, transfer or apply for right to continue to operate.
q. Non-competition covenants during the term of the franchise	15.1	No involvement in competing business; cannot assist or deal with a competing business; cannot operate in another franchisee's territory, cannot employ our or another franchisee's employees.
r. Non-competition covenants after the franchise is terminated or expires	15.2 & 15.3	No involvement in competing business for a continuous and uninterrupted period commencing upon the expiration or termination of this agreement (regardless of the cause for termination) and continuing for 2 years thereafter, directly or indirectly, for itself or through, on behalf of, or in conjunction with any person (including the spouse or children of Franchisee or any Principal or Remote Principal), own, maintain, operate, engage in, or have any interest in, any Competitive Business that is located or operates within the geographical boundaries of the territory; no solicitation of Referral Sources of your franchise for 2 years within 25 miles of franchise territory.
s. Modification of the agreement	7.7, 9.3 & 18.3	We have the right to reduce the size of your territory if you fail to achieve the Minimum Annual Gross Sales; we may modify the franchise agreement only by a written agreement, but we may modify the Manual so long as it does not change your fundamental status and rights.
t. Integration/merger clause	18.1	Only the terms of the franchise agreement are binding (subject to state law); any other promises may not be enforceable. Nothing in the franchise agreement waives or disclaims the disclosures made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Article 16	Except for certain claims, all disputes must be mediated in Milford, Ohio, before resorting to litigation; parties waive right to jury trial and punitive damages.

Provision	Section in Franchise Agreement	Summary
v. Choice of forum	16.6	Except for claims arising under a franchise law of the state where the franchised business is located, all litigation must take place where we are located, presently in Clermont County, Ohio.
w. Choice of law	16.5	Except for claims arising under a franchise law of the state where the franchised business is located, Ohio law applies.

Item 18. PUBLIC FIGURES

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

Item 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

The table below presents historic Gross Revenue for HomeTeam Inspection Service franchisees for the twelve-month periods ending on December 31, 2019, December 31, 2020 and December 31, 2021 (each, a "Measurement Period"). For each of these Measurement Periods, only data from franchisees who reported Gross Revenue for all 12 months of the Measurement Period were included in the table.

AVERAGE GROSS REVENUES BY QUARTILE

Average annual Gross Revenue by quartile for all ownership groups who have been in business for at least two calendar years or reported an average annual Gross Revenue of over $100,000 during the three-year period 2019 – 2021.

First Quartile of Franchisees	**Year ending 12/31/19**	**Year ending 12/31/20**	**Year ending 12/31/21**
Average Gross Revenues/1st Quartile	$540,160.66	$606,235.79	$648,342.90
Median Range of Gross Revenues	$488,274.00	$550,757.35	$576,375.00
High Range of Gross Revenues	$1,338,346.00	$1,338,712.50	$1,339,901.00
Low Range of Gross Revenues	$325,505.00	$373,241.00	$385,045.00
# of Franchises	20	21	24

Second Quartile of Franchisees	**Year ending 12/31/19**	**Year ending 12/31/20**	**Year ending 12/31/21**
Average Gross Revenues/2nd Quartile	$262,606.10	$295,967.65	$298,680.72
Median Range of Gross Revenues	$273,557.50	$292,495.00	$303,532.00

High Range of Gross Revenues	$316,900.63	$359,620.00	$384,452.75
Low Range of Gross Revenues	$216,697.10	$251,579.00	$223,910.00
# of Franchises	20	21	24

Third Quartile of Franchisees	**Year ending 12/31/19**	**Year ending 12/31/20**	**Year ending 12/31/21**
Average Gross Revenues/3rd Quartile	$173,686.90	$204,887.19	$184,840.16
Median Range of Gross Revenues	$167,383.50	$206,651.60	$185,690.00
High Range of Gross Revenues	$206,285.00	$251,200.00	$220,889.00
Low Range of Gross Revenues	$152,025.00	$172,023.00	$156,410.50
# of Franchises	20	21	24

Fourth Quartile of Franchisees	**Year ending 12/31/19**	**Year ending 12/31/20**	**Year ending 12/31/21**
Average Gross Revenues/4th Quartile	$125,413.65	$137,694.48	$125,279.82
Median Range of Gross Revenues	$128,615.00	$132,706.00	$127,155.00
High Range of Gross Revenues	$151,207.00	$168,220.00	$154,873.00
Low Range of Gross Revenues	$100,035.00	$102,770.00	$100,973.00
# of Franchises	20	21	25

The preceding table represents in the calendar year of 2019, of the 133 franchisees in the system operating 169 territories, 80 franchisees (60%) had annual Gross Revenue of at least $100,000 during that calendar year; in the calendar year of 2020, of the 152 franchisees in the system operating 187 territories, 84 franchisees (55%) had annual Gross Revenue of at least $100,000 during that calendar year; and in the calendar year of 2021, of the 159 franchisees in the system operating 198 territories, 97 franchisees (61%) had annual Gross Revenue of at least $100,000 during that calendar year.

The table below presents the average home inspection fee charged by Franchisees with annual Gross Revenue greater than $100,000 during the three-year period 2019 – 2021 and reported Gross Revenue for all 12 months of the Measurement Period.

Year	**Average Fee Per Home Inspection**	**Median Fee Per Home Inspection**	**Range of Fees Per Home Inspection**	**# Franchisees Who Met or Exceed the Average Fee Per Home Inspection**	**Average Fee Growth (%)**
2021	$491.41	$476.47	$209.92-$907.84	42 of 97	2%
2020	$482.97	$471.03	$289.47-$800.68	37 of 84	5%
2019	$459.02	$453.16	$290.03-$675.71	38 of 80	-6%

The table below presents historic Gross Revenue for HomeTeam Inspection Service franchisees for the twelve-month periods ending on December 31, 2019, December 31, 2020 and December 31, 2021 (each, a "Measurement Period") who has Gross Revenues of less than $100,000. For each of these Measurement Periods, only data from franchisees who reported Gross Revenue for all 12 months of

the Measurement Period were included in the table. These franchisees were in default, did not follow system standards as per the Operations Manual, or did not operate their franchise on a full-time basis.

Table 5	Year ending 12/31/19	Year ending 12/31/20	Year ending 12/31/21
Average Gross Revenues	$54,203.72	$68,366.51	$59,542.47
Median Range of Gross Revenues	$53,140.00	$68,081.40	$55,790.00
High Range of Gross Revenues	$98,402.50	$98,840.00	$98,853.00
Low Range of Gross Revenues	$12,800.00	$25,317.00	$20,170.00
# of Franchises	27	20	34

The preceding table represents in the calendar year of 2019, of the 133 franchisees in the system operating 169 territories, 27 franchisees (20%) had annual Gross Revenue of less than $100,000, with an average Gross Revenue of $54,203.72 during that calendar year; in the calendar year of 2020, of the 152 franchisees in the system operating 187 territories, 20 franchisees (13%) had annual Gross Revenue of less than $100,000, with an average Gross Revenue of $68,366.51 during that calendar year; and in the calendar year of 2021, of the 159 franchisees in the system operating 198 territories, 34 franchisees (21%) had annual Gross Revenue of less than $100,000, with an average Gross Revenue of $59,542.47.

The table below presents the average home inspection fee charged by Franchisees annual Gross Revenue of less than $100,000 during the three-year period 2019 – 2021 and reported Gross Revenue for all 12 months of the Measurement Period.

Year	Average Fee Per Home Inspection	Median Fee Per Home Inspection	Range of Fees Per Home Inspection	# Franchisees Who Met or Exceed the Average Fee Per Home Inspection	Average Fee Growth (%)
2021	$426.24	$435.58	$295.78-$563.54	18 of 34	4%
2020	$408.44	$402.39	$159.54-$737.77	8 of 20	1%
2019	$402.81	$397.83	$217.76-$697.73	13 of 27	-2%

In the calendar year of 2019, of the 133 franchisees in the system operating 169 territories, 26 franchisees (20%) have been in business for less than two calendar years or did not have revenue for all 12 months of the Measurement Period; in the calendar year of 2020, of the 152 franchisees in the system operating 187 territories, 48 franchisees (32%) have been in business for less than two calendar years or did not have revenue for all 12 months of the Measurement Period; and in the calendar year of 2021, of the 159 franchisees in the system operating 198 territories, 28 franchisees (14%) have been in business for less than two calendar years or did not have revenue for all 12 months of the Measurement Period.

The information has been extracted from royalty reports submitted to us by our franchises. We have not audited or independently verified this information.

General Notes to Item 19

1. For purposes of this Item 19, "Gross Revenue" means the total of all income arising from the operation of the franchised business, whether cash or credit. It is recognized on an accrual basis and does not take into account collection, which means that a franchisee's Gross Revenue for any period represents how much a franchisee billed its clients during the period, not how much the franchisee

received. Gross Revenue does not include the amount of refunds and discounts made to clients in good faith, or the amount of sales or excise taxes that are separately stated and that the franchisee collects from clients and pays to the appropriate taxing authority.

2. The figures in the table do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the Gross Revenue figures to obtain your net income or profit, these will include fees required under the terms of your franchise agreement, such as royalties, national branding fees and technology fees. You should conduct an independent investigation of operating a HomeTeam Inspection Service franchise. Franchisees and former franchisees listed in this disclosure document may be one source of this information.

3. The data in the tables above represents Gross Revenue for each reporting franchisee, not for each franchise (or franchise territory). Some franchisees own more than one territory and manage their business and report Gross Revenue and royalty information as a single unit for all territories they own. We have included this data in the table as reported by our franchisees. Of the franchisees that were open and operating in 2021, a total of 44 territories are represented in the First Quartile and 13 of the 24 franchisees (54%) in the First Quartile own and operate in multiple territories; a total of 38 territories are represented in the Second Quartile and 4 of the 24 franchisees (17%) in the Second Quartile own and operate in multiple territories; a total of 26 territories are represented in the Third Quartile and 2 of the 24 franchisees (8%) in the Third Quartile own and operate in multiple territories; and a total of 25 territories are represented in the Fourth Quartile and 1 of the 24 franchisees (4%) in the Fourth Quartile own and operate in multiple territories. Due to the nature of HomeTeam's franchise territories (as opposed to unit franchising), it should be noted that territories vary widely in demographics; meaning some single territory franchisees have a greater demographic profile than some multiple territory franchisees.

In the calendar year 2019, of the franchisees included in the First Quartile, 6 of the 20 franchisees (30%) attained or surpassed the Average Gross Revenue; in the Second Quartile, 11 of the 20 franchisees (55%) attained or surpassed the Average Gross Revenue; in the Third Quartile, 6 of the 20 franchisees (30%) attained or surpassed the Average Gross Revenue; and in the Fourth Quartile, 11 of the 20 franchisees (55%) attained or surpassed the Average Gross Revenue. In table 5, 13 of the 27 franchisees (48%) attained or surpassed the Average Gross Revenue.

In the calendar year 2020, of the franchisees included in the First Quartile, 8 of the 21 franchisees (38%) attained or surpassed the Average Gross Revenue; in the Second Quartile, 9 of the 21 franchisees (43%) attained or surpassed the Average Gross Revenue; in the Third Quartile, 11 of the 21 franchisees (52%) attained or surpassed the Average Gross Revenue; and in the Fourth Quartile, 8 of the 21 franchisees (38%) attained or surpassed the Average Gross Revenue. In table 5, 9 of the 20 franchisees (45%) attained or surpassed the Average Gross Revenue.

In the calendar year 2021, of the franchisees included in the First Quartile, 8 of the 24 franchisees (33%) attained or surpassed the Average Gross Revenue; in the Second Quartile, 12 of the 24 franchisees (50%) attained or surpassed the Average Gross Revenue; in the Third Quartile, 12 of the 24 franchisees (50%) attained or surpassed the Average Gross Revenue; and in the Fourth Quartile, 13 of the 25 franchisees (52%) attained or surpassed the Average Gross Revenue. In table 5, 16 of the 34 franchisees (47%) attained or surpassed the Average Gross Revenue.

4. We strongly suggest that you consult a financial advisor or accountant for assistance in reviewing the table and in preparing your own financial projections, and for advice about the income and other taxes you will incur in operating a HomeTeam Inspection Service franchise and the effect of non-cash expenses such as depreciation and amortization on your business.

5. **Some franchisees have sold these amounts. Your individual results may differ. There is no assurance that you'll sell as much.**

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

7. Other than the preceding financial performance representation, HomeTeam Inspection Service does not make any financial performance representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Adam Long, President, 575 Chamber Drive, Milford, Ohio 45150, (513) 831-1300, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
SYSTEMWIDE OUTLET SUMMARY
For Years 2019 to 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2019	163	169	+6
	2020	169	187	+18
	2021	187	198	+11
Company-Owned	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Total Outlets	2019	163	169	+6
	2020	169	187	+18
	2021	187	198	+11

Table No. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(Other than the Franchisor)
For Years 2019 to 2021

State	Year	Number of Transfers
Connecticut	2019	1
	2020	0
	2021	0
Florida	2019	5
	2020	0
	2021	1
Illinois	2019	0
	2020	0
	2021	1
Indiana	2019	0
	2020	1

State	Year	Number of Transfers
	2021	0
Michigan	2019	1
	2020	0
	2021	2
North Carolina	2019	0
	2020	0
	2021	0
Ohio	2019	1
	2020	0
	2021	0
Texas	2019	0
	2020	1
	2021	0
Total	2019	8
	2020	2
	2021	4

Table No. 3
STATUS OF FRANCHISED OUTLETS
For Years 2019 to 2021*

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alabama	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Alaska	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Arizona	2019	1	0	0	0	0	0	1
	2020	1	2	0	0	0	0	3
	2021	3	0	0	0	0	0	3
Arkansas	2019	1	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
California	2019	8	0	0	0	0	1	7
	2020	7	3	1	0	0	0	9
	2021	9	3	0	0	0	0	12
Colorado	2019	5	0	0	0	0	0	5
	2020	5	1	0	0	0	0	6
	2021	6	0	0	0	0	0	6
Connecticut	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Florida	2019	27	2	0	0	0	1	28
	2020	28	3	1	0	0	0	30
	2021	30	1	0	0	0	0	31
Georgia	2019	2	1	0	0	0	0	3
	2020	3	3	0	0	0	0	6

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
	2021	6	2	0	0	0	0	8
Idaho	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Illinois	2019	5	0	0	0	0	0	5
	2020	5	3	0	0	0	0	8
	2021	8	0	0	0	0	0	8
Indiana	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
Iowa	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Kansas	2019	3	0	0	0	0	0	3
	2020	3	1	0	0	0	0	4
	2021	4	0	0	0	0	0	4
Kentucky	2019	5	0	0	0	0	0	5
	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
Louisiana	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	1	1	0	0	0	1
Maryland	2019	5	0	0	0	0	0	5
	2020	5	0	0	0	0	0	5
	2021	5	1	1	0	0	0	5
Massachusetts	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2
	2021	2	1	0	0	0	0	3
Michigan	2019	7	0	0	0	0	0	7
	2020	7	1	0	0	0	0	8
	2021	8	0	0	0	0	0	8
Minnesota	2019	3	1	0	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
Missouri	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
Nebraska	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	1	0	0	0	1
Nevada	2019	2	0	1	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
New Hampshire	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
New Jersey	2019	4	0	0	0	0	1	3
	2020	3	0	0	0	0	0	3
	2021	3	2	0	0	0	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
New Mexico	2019	2	0	0	0	0	0	2
	2020	2	0	0	1	0	0	1
	2021	1	0	0	0	0	1	0
New York	2019	5	0	0	0	0	0	5
	2020	5	0	0	2	0	0	3
	2021	3	1	0	0	0	0	4
North Carolina	2019	8	1	0	0	0	0	9
	2020	9	0	0	0	0	0	9
	2021	9	0	0	0	0	0	9
Ohio	2019	10	0	0	0	0	0	10
	2020	10	1	0	0	1	0	10
	2021	10	1	0	0	1	0	10
Oklahoma	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Oregon	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
Pennsylvania	2019	6	0	0	0	0	0	6
	2020	6	0	0	0	0	0	6
	2021	6	1	2	0	0	0	5
South Carolina	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	1	0	0	0	0	4
South Dakota	2019	1	1	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Tennessee	2019	5	0	0	0	0	0	5
	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
Texas	2019	13	2	0	0	0	1	14
	2020	14	2	0	0	0	0	16
	2021	16	2	0	0	0	0	18
Utah	2019	1	1	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Virginia	2019	5	1	0	0	0	1	5
	2020	5	0	0	0	0	1	4
	2021	4	1	0	0	0	0	5
Washington	2019	2	1	0	0	0	0	3
	2020	3	1	0	0	0	0	4
	2021	4	0	0	0	0	0	4
Wisconsin	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Canada	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	1	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
TOTALS	2019	163	12	1	0	0	5	169
	2020	169	25	2	3	1	1	187
	2021	187	19	6	0	1	1	198

* If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Table No. 4
STATUS OF COMPANY-OWNED OUTLETS
For Years 2019 to 2021

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Totals	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0

Table No. 5
PROJECTED OPENINGS
As of December 31, 2021

State	Franchise Agreements Signed but Franchises Not Opened	Projected New Franchised Locations in the Next Fiscal Year	Projected Company-Owned Locations in the Next Fiscal Year
Alabama	0	0	0
Arizona	0	1	0
Arkansas	0	0	0
California	0	0	0
Colorado	0	0	0
Florida	4	1	0
Georgia	0	1	0
Idaho	0	1	0
Illinois	0	0	0
Indiana	0	1	0
Louisiana	0	0	0
Maine	0	0	0
Maryland	1	1	0
Massachusetts	1	0	0
Michigan	0	1	0
Minnesota	0	0	0
Nevada	0	1	0
New Hampshire	0	0	0
New Jersey	1	0	0
New Mexico	0	1	0
New York	0	1	0
Ohio	0	0	0

State	Franchise Agreements Signed but Franchises Not Opened	Projected New Franchised Locations in the Next Fiscal Year	Projected Company-Owned Locations in the Next Fiscal Year
Oklahoma	0	1	0
Oregon	0	1	0
Pennsylvania	1	1	0
South Carolina	0	0	0
Tennessee	1	1	0
Texas	0	0	0
Utah	0	0	0
Virginia	0	1	0
Washington	0	0	0
Wisconsin	0	0	0
TOTALS	9	15	0

The number of new franchised locations projected to be opened in the next fiscal year, as presented in the table above, is an estimate based on the best information we have as of the date of this disclosure document. There is no assurance that the actual number of openings, or the states in which we projected the openings, will be the same as our estimates.

A list of the names, addresses and telephone numbers of all franchisees is attached to this disclosure document as Exhibit K. A list of the names, last known home addresses and telephone numbers of every franchisee who has had their franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the date of this disclosure document is attached to this disclosure document as Exhibit L. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the HomeTeam system. While we encourage you to speak with current and former franchisees, be aware that not all such franchisees will be able to communicate with you. Some franchisees have signed confidentiality clauses in the last 3 years.

Our Franchisee Advisory Council has no office address; however, the current president of the Council is Ian Scott, whose address, telephone number and email address are 1901 Tumbleweed Circle, West Bend, WI 53095, 414-455-2997, iscott@hometeam.com. As of the date of this disclosure document, there are no other trademark-specific franchisee organizations associated with the HomeTeam Franchise system that we have created, sponsored, or endorsed, and there are no independent trademark-specific franchisee organizations that have asked to be included in our disclosure document.

Item 21. FINANCIAL STATEMENTS

Our audited financial statements for the fiscal years ending December 31, 2021, 2020 and 2019 fiscal years are attached to this disclosure document as Exhibit J. Our fiscal year ends on December 31.

Item 22. CONTRACTS

The following contracts are attached as exhibits to this disclosure document:

Exhibit A	Franchise Agreement and exhibits
Exhibit B	Irrevocable Power of Attorney
Exhibit C	Guaranty and Assumption of Obligations
Exhibit D	Nondisclosure and Noncompetition Agreement
Exhibit E	Promissory Note
Exhibit F	Franchisee Disclosure Questionnaire
Exhibit G	Addendum for Renewal Franchise Agreement
Exhibit N	State-Specific Addendum

Item 23. RECEIPT

The last page of this disclosure document is a detachable document that you must sign to acknowledge your receipt of this disclosure document.

Exhibit A follows this page

EXHIBIT A TO THE
HOMETEAM® FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

THE HOMETEAM INSPECTION SERVICE, INC.

FRANCHISE AGREEMENT

Effective Date of this Agreement:	_____
Required Opening Date – No Later Than:	_____
Expiration Date:	_____
Franchisor:	The HomeTeam Inspection Service, Inc.
Franchisee:	_____
Location:	_____
Initial Franchise Fee:	$ _____
Start-up Package Fee:	$ _____
Transfer Fee:	$ _____
Franchise Number:	_____

THE HOMETEAM INSPECTION SERVICE, INC.

FRANCHISE AGREEMENT

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THIS FRANCHISE AGREEMENT is between The HomeTeam Inspection Service, Inc., an Ohio corporation ("Franchisor"), and the Franchisee identified on Exhibit A attached hereto and by this reference incorporated herein.

PREAMBLE:

Franchisor has created and developed and is in the process of further developing a system for the establishment and operation of a distinctive type of business that offers building inspection services.

The System (as defined in section 19.48) consists of distinctive methods for marketing and advertising; specially designed business forms and procedures for the efficient operation of a Franchise (as defined in section 19.23); operating manuals and a training course; proprietary and customized software; and procedures for the provision of the Franchisee's services.

Franchisor has registered as trademarks the words THE HOMETEAM INSPECTION SERVICE® as well as other Marks (as defined in section 19.29), with the United States Patent and Trademark Office, and claims the exclusive right to use the Marks, any confusingly similar derivatives thereof, and certain other logos, designs, trade names, business names, trademarks, and commercial symbols in connection with the operation of the System.

Franchisor continues to develop, use and control the use of the Marks in order to identify to the public the source of products and services marketed thereunder and through the System, and to represent the System's standards of quality, appearance, and services.

Franchisor has granted and will continue to grant other parties the right and license to operate a Franchise and to use the Marks and the System under other franchise agreements.

Franchisee understands and acknowledges the importance of Franchisor's standards of quality, service, and appearance, of operating a Franchise in conformity with Franchisor's standards and specifications as presented in Franchisor's manuals and updates, and of preserving the confidentiality of the System.

Franchisee desires to purchase and operate a Franchise in accordance with all of the terms and conditions of this agreement.

THEREFORE, the parties agree as follows:

ARTICLE 1

APPOINTMENT

1.1 Grant of Franchise. Franchisor hereby grants to Franchisee, upon the terms and conditions in this agreement, (i) the right and franchise, and Franchisee undertakes the obligation, to operate the Franchised Business (as defined in section 19.14) using the System, and (ii) a non-exclusive license to use the Marks and the System as they may be changed, improved and further developed from time to time, within the Territory (as defined in section 1.2). Franchisee specifically acknowledges that its Franchise is non-exclusive and is granted subject to the conditions in sections 1.2 through 1.4.

1.2 Territory. The "Territory" is the geographical area described in Exhibit B of this agreement. Franchisor has the right to reduce the size of the Territory in accordance with section 7.7. If for any reason the boundaries or numbers of any ZIP Code(s) that comprise the Territory are moved, altered or eliminated, or any other boundary of the Territory changes (such as the re-routing of a road used as a boundary, for example), Franchisee shall promptly notify Franchisor and Franchisor shall re-define the boundaries of the

Territory to correspond as nearly as possible, in Franchisor's Business Judgment, to the original Territory. Franchisor's decision will be final and binding upon Franchisor and Franchisee.

1.3 Territorial Rights and Limitations. Franchisor hereby grants Franchisee, and Franchisee hereby accepts, the following rights and limitations in connection with the Territory:

(a) So long as Franchisee is in Good Standing (as defined in section 19.21) during the term of this agreement, Franchisor shall not operate or establish or authorize another to operate or establish a HomeTeam Franchise in the Territory.

(b) Except as provided in sections 1.3(c), 1.3(d), and 1.4, Franchisee may inspect any structure, wherever located.

(c) Franchisee shall not inspect a structure located within the franchise territory of another HomeTeam Franchisee (as defined in section 19.24) without the other HomeTeam Franchisee's prior written consent, unless both of the following circumstances exist: Franchisee's client is represented by a real estate agent in connection with a proposed or pending sale or purchase of the structure, and that agent's principal office is located within the Territory at the time of the inspection.

(d) Franchisee shall not inspect a structure, wherever located (even if located in the Territory), without another HomeTeam Franchisee's prior written consent if both of the following circumstances exist: Franchisee's client is represented by a real estate agent in connection with a proposed or pending sale or purchase of the structure, and that agent's principal office is located within the franchise territory of the other HomeTeam Franchisee at the time of the inspection.

(e) Another HomeTeam Franchisee has the right to inspect structures located within the Territory if the other HomeTeam Franchisee's client is represented by a real estate agent in connection with a proposed or pending sale or purchase of the structure and that agent's principal office is located within the other HomeTeam Franchisee's territory at the time of the inspection.

(f) Franchisee shall not conduct, participate in, or place any mass media or direct mail advertising that is delivered, distributed, circulated, or broadcast in the franchise territory of another HomeTeam Franchisee, except in accordance with section 11.8 (relating to advertising cooperatives), or with Franchisor's prior written consent. Internet advertising and a listing or advertisement in a "paper" or online membership directory, Yellow Pages directory, or other commercial telephone directory are not considered mass media advertising and are not prohibited by this paragraph.

(g) Except as expressly permitted by subsection 1.3(h), Franchisee shall not conduct In-Person Promotional Activities (as defined in section 19.26) in the franchise territory of another HomeTeam Franchisee.

(h) Franchisee may join and participate in business meetings and networking, social, and other functions sponsored or hosted by Real-Estate-Related Membership Organizations (as defined in section 19.40), even if the organization's principal office is located or the meeting or function is held in the franchise territory of another HomeTeam Franchisee, except that Franchisee shall not attend any meeting or function held at a Real Estate Agency located in the franchise territory of another HomeTeam Franchisee.

1.4 Reserved Rights of Franchisor. Franchisor specifically reserves all rights not expressly granted to Franchisee in this agreement. Without limiting the generality of the preceding sentence, Franchisor has the right to: (i) own, acquire, establish and operate, and license others to establish and operate, businesses

substantially similar to the Franchised Business, whether under the Marks or other proprietary marks, at any location outside the Territory; (ii) acquire a system of Competitive Businesses with units located within the Territory, so long as those units do not use the Marks.

ARTICLE 2

TERM; RENEWAL FRANCHISE

2.1 Term. Unless earlier terminated as provided in this agreement, the term of this agreement is ten years commencing on the Effective Date (as defined in section 19.12) and ending on the Expiration Date (as defined in section 19.13).

2.2 Renewal Franchise. Franchisee's rights and Franchisor's obligations under this agreement terminate at the Expiration Date. Nothing in this agreement gives Franchisee any right to renew this agreement for an additional term, but, subject to subparagraphs (a) through (f) of this section 2.2, for a period of one year before the Expiration Date, Franchisee will be eligible for a Renewal Franchise (as defined in section 19.46) for the Territory, also for a ten-year term to commence the day after the Expiration Date of this agreement. The award of a Renewal Franchise will be in Franchisor's Business Judgment. Any Renewal Franchise will be on the terms of Franchisor's then-current franchise agreement (which may materially differ, in economic and other aspects, from this agreement and its requirements), but start-up terms (*e.g.*, initial training, phase in of Minimum Annual Gross Sales, etc.) will not apply, and Franchisee will not be required to pay another Initial Franchise Fee (although Franchisee will be required to pay a Renewal Franchise Fee). Franchisor will not award Franchisee a Renewal Franchise unless and until Franchisee complies with the following conditions:

(a) Franchisee gives Franchisor a written request for a Renewal Franchise at least six months, but not more than one year, before the Expiration Date. Within thirty days after its receipt of a timely request, Franchisor shall confirm, in writing, Franchisee's eligibility or ineligibility for a Renewal Franchise. If Franchisee has failed to comply with all of the conditions listed in this section 2.2 at the time Franchisor receives the request, Franchisor has the right to refuse to grant Franchisee a Renewal Franchise. If Franchisee is ineligible to obtain a Renewal Franchise, but the ineligibility is caused by a non-compliance that can be cured, and Franchisor, in its Business Judgment, is willing to consider granting Franchisee a Renewal Franchise, Franchisor will notify Franchisee accordingly. Franchisee will be eligible for a Renewal Franchise if Franchisee cures the noncompliance within thirty days after Franchisor notifies Franchisee of its ineligibility. Neither Franchisee's request to obtain a Renewal Franchise nor Franchisor's failure to advise Franchisee of its ineligibility will affect or impair Franchisor's right to terminate this agreement under Article 13.

(b) Franchisee is in Good Standing and has substantially complied with all of the material terms and conditions of all agreements between Franchisee (or its Principals or Affiliates, as defined in sections 19.37 and 19.1, respectively) and Franchisor (or any of the Franchisor-Related Persons, as defined in section 19.19) during the respective terms thereof.

(c) At least sixty days before the Expiration Date, Franchisee executes Franchisor's then-current form of franchise agreement, the terms of which may materially differ from the terms of this agreement and will supersede this agreement in all respects.

(d) At least sixty days before the Expiration Date, unless prohibited by the laws of the state in which Franchisee resides or the Franchised Business is located, Franchisee and each of its Principals and Remote Principals (as defined in section 19.42) signs and delivers to Franchisor its then-current form of General Release (as defined in section 19.20).

(e) At least thirty days before the Expiration Date, Franchisee complies with Franchisor's then-current qualification and training requirements, including any training requirements specifically designed for Renewal Franchisees.

(f) Franchisee pays Franchisor the Renewal Franchise Fee (as defined in section 19.47) at the same time that Franchisee gives Franchisor the written request required by section 2.2(a). If Franchisor refuses to grant Franchisee a Renewal Franchise, Franchisor shall, at the same time Franchisor notifies Franchisee of the refusal, refund the Renewal Franchise Fee paid by Franchisee. The Renewal Franchise Fee is not refundable in whole or in part, under any other circumstances.

2.3 Continued Operation Following Expiration. Franchisee has no right to continue to operate the Franchised Business after the Expiration Date unless Franchisee is granted a Renewal Franchise in accordance with section 2.2. If Franchisor permits Franchisee to continue to operate the Franchised Business after the Expiration Date but before the execution of a Renewal Franchise Agreement as required by section 2.2(c), then the temporary continuation of the Franchised Business will be on a month-to-month basis, and will be terminable at the will of Franchisor by giving Franchisee written notice of termination at least thirty days before the termination is effective. If the laws of the jurisdiction in which the Franchisee or the Franchised Business are located require a longer notice period, the thirty-day period will be deemed modified to be the shortest notice period required by the laws of such jurisdiction.

ARTICLE 3

LOCATION OF BUSINESS

Franchisee shall lease, purchase or otherwise secure a suitable Franchise Premises (as defined in section 19.18) for the operation of the Franchised Business. Franchisee may operate the Franchised Business from Franchisee's residence (whether or not Franchisee resides within the Territory) if permitted by, and so long as Franchisee fully complies with, all applicable building, zoning and licensing laws, ordinances, requirements and restrictions. If Franchisee resides outside the Territory, Franchisee must obtain, before opening the Franchised Business, and maintain at all times during the term of this agreement, a mailing address located within the Territory. That address must be acceptable under Google My Business (GMB) guidelines (which currently includes the ability to receive mail, have signage, and someone working there during posted hours). If Franchisee does not operate the Franchised Business from Franchisee's residence, the Franchise Premises must be located within the Territory. Franchisee shall provide Franchisor with the address of the Franchise Premises prior to opening the Franchised Business, and shall notify Franchisor promptly of any change in the location of the Franchise Premises.

ARTICLE 4

INITIAL FEES

4.1 Initial Franchise Fee. Franchisee shall pay Franchisor an Initial Franchise Fee of $35,000 for a Limited territory encompassing up to 50,000 qualified households, $45,000 for a Standard territory encompassing 50,001 to 100,000 qualified households, or $55,000 for a Premium territory encompassing 100,001 to 150,000 qualified households. The Initial Franchise Fee is fully earned, due and payable to Franchisor upon the execution of this agreement. The Initial Franchise Fee is not refundable in whole or in part.

4.2 Start-up Package Fee. Franchisee shall pay Franchisor a Start-up Package Fee of $9,800 for the Start-up Package described in section 6.1(a). The Start-up Package Fee is due upon Franchisee's execution of this agreement. If this agreement is terminated before Franchisee opens the Franchised Business,

Franchisee shall pay all transportation costs to return Start-up Package items. The Start-up Package Fee is not refundable in whole or in part under any other circumstances.

ARTICLE 5

RECURRING FEES

5.1 Royalty. Solely in consideration of Franchisee's continued right to use the Marks, Franchisee shall pay Franchisor a weekly Royalty of 6% of Franchisee's Gross Sales. Royalty payments for each weekly reporting period are due by the following Wednesday. The weekly reporting period begins on Monday and ends the following Sunday.

5.2 Annual Minimum Royalty. Franchisee shall pay Franchisor, on an annual basis, the Royalties payable under section 5.1 or a Minimum Royalty of 6% of Franchisee's Minimum Annual Gross Sales (as defined in section 7.7), whichever is greater. If the Royalties payable on Franchisee's actual Gross Sales during each year that this Franchise Agreement is effective is less than 6% of Franchisee's Minimum Annual Gross Sales, then Franchisee shall pay Franchisor the difference by the fifteenth day of the anniversary date after the opening date of the franchise. Monthly, refunds will be mailed to the franchisee reflecting the difference of the 6% of Gross Sales paid weekly and the percentages reflected below based on Gross Sales categories:

- 6% on the first $500,000 in Annual Gross Sales
- 5.5% on $500,001 to $750,000 in Annual Gross Sales
- 5% on $750,001 to $1,000,000 in Annual Gross Sales
- 4% on all Annual Gross Sales $1,000,001 and over

Royalties are calculated per common franchise ownership and HomeTeam makes final decision based on our Business Judgment of common ownership status. At our election, the gross sale thresholds for refunds below the standard 6% may be adjusted effective the first day of each calendar year and will be based on the current US Inflation Rate according to U.S. Labor Department Data.

5.3 Branding Contribution. Franchisee shall pay to Franchisor, or to any Branding Fund established under Article 11, a Branding Contribution of 3% of Franchisee's Gross Sales. All Branding Contributions for each weekly reporting period are due by the following Wednesday. The weekly reporting period begins on Monday and ends the following Sunday.

5.4 Annual Minimum Branding Contribution. Franchisee shall pay Franchisor, on a yearly basis, the Branding Contribution payable under section 5.3 or a Minimum Branding Contribution of 3% of Franchisee's Minimum Annual Gross Sales, whichever is greater. If the Branding Contribution payable on Franchisee's actual Gross Sales during each year that this Franchise Agreement is effective is less than 3% of Franchisee's Minimum Annual Gross Sales, then Franchisee shall pay Franchisor the difference by the fifteenth day of the anniversary date after the opening date of the franchise.

5.5 Digital Marketing Fee. Franchisee shall pay Franchisor a monthly fee, currently $229, beginning on the month prior to the franchise opening for business. Franchisor has the right to adjust this Digital Marketing Fee contingent on changes due to continuing evolution of all aspects of technology.

5.6 Software User Fee. Franchisee shall pay a third-party software provider all continuing monthly or periodic support, maintenance, and upgrade fees as required by a Software Terms of Use Agreement, currently at a rate of $1.10 per inspection report and $2.20 per inspection for customized software. Franchisor or third-party software providers have the right to increase Software User Fees from time to time in its Business Judgment.

5.7 Technology Fee. Franchisee shall pay Franchisor a monthly Technology Fee, currently $100, beginning on the month the franchise opens for business. Franchisor has the right to adjust this Technology Fee contingent on changes due to continuing evolution of all aspects of technology. Any additional numbers needed for conducting your business will be an additional $10 monthly.

5.8 Late Payments and Reports.

(a) Franchisee shall pay to Franchisor (or to the Branding Fund, as the case may be) a $20.00 late fee on each payment of any kind that is not received by Franchisor within five days after its due date.

(b) Any payment of any kind that is not received by Franchisor within thirty days after its due date will bear interest at the rate of 18% per annum, or the highest rate allowed by law, whichever is lower, from the date payment was due until the date the payment is received by Franchisor, regardless of any subordinate agreement that may be in effect to postpone payment of any fees.

5.9 Gross Sales. The term "Gross Sales" means all sales and other income, whether cash or credit (and regardless of collection in the case of credit), less (i) refunds and discounts made to customers in good faith and in accordance with Franchisor's policies, and (ii) sales or excise taxes that are separately stated and that Franchisee may be required to and does collect from customers and pays to any federal, state, or local taxing authority.

5.10 Electronic Funds Transfer.

(a) Franchisee shall make all payments to Franchisor, the Branding Funds, or any Affiliate of Franchisor, including Royalties, Branding Contributions, Software User Fees, interest, late fees and legal expenses, through an electronic depository transfer account ("EDT Account") established at a national banking institution approved by Franchisor. Within six months after the Effective Date and before opening the Franchised Business, Franchisee shall establish the EDT Account and execute and deliver to Franchisor an authorization for electronic funds transfer (in substantially the form attached to this agreement as Exhibit E or a form prescribed by or acceptable to Franchisor's and Franchisee's bank) for direct debits from the EDT Account. At all times thereafter during the term of this agreement, Franchisee shall ensure that Franchisor has access to Franchisee's EDT Account for purposes of receiving electronic funds transfer payments, and Franchisee shall comply with procedures specified by Franchisor and perform such acts as may be necessary to accomplish payment by electronic funds transfer. Franchisee hereby authorizes Franchisor to initiate debit entries and credit correction entries to the EDT Account for payment of Royalties, Branding Contributions, Software User Fees, legal expenses, interest, late fees and other any amounts payable to Franchisor or any Affiliate of Franchisor. Franchisee shall make funds available in its EDT Account in sufficient amounts to meet its obligations as they become due. If any debit properly initiated by Franchisor from Franchisee's EDT Account is denied or charged back due to nonsufficient funds or the closing of the EDT Account, Franchisee shall pay Franchisor a $25.00 charge-back fee and reimburse Franchisor for all bank and transaction charges incurred by Franchisor as the result of the charge-back. Once established, Franchisee may not close the EDT Account without Franchisor's consent.

(b) If Franchisee has not timely reported Franchisee's Gross Sales to Franchisor for any reporting period, then Franchisor shall debit Franchisee's EDT Account a late fee of 25% plus 125% of the amounts payable by Franchisee for the Royalty and Branding Contribution for the last reporting period for which Franchisee reported its Gross Sales. If the amounts debited are less than the amounts Franchisee actually owes (once Franchisor determines Franchisee's true Gross Sales for the reporting period), Franchisor shall debit the EDT Account for the balance of the Royalty and Branding Contribution due on the date specified by Franchisor. If the amounts debited are greater

than the amounts Franchisee actually owes (once Franchisor determines Franchisee's true Gross Sales for the reporting period), Franchisor shall credit the excess (without interest) against the amount Franchisor otherwise would debit from the EDT Account the week after Franchisor determines Franchisee's true Gross Sales for the reporting period. Nothing in this paragraph is to be construed to waive, postpone or suspend Franchisee's obligations to submit any reports, records, or other materials required by this agreement. Franchisee acknowledges that its failure to accurately report Gross Sales when due constitutes grounds for the termination of this agreement, notwithstanding this paragraph.

5.11 Convention Fee. If Franchisor holds an annual convention for HomeTeam Franchisees as described in section 7.19, Franchisee shall pay Franchisor the convention fee in the amount and at the time required by Franchisor, regardless of whether Franchisee or the Designated Representative actually attends the convention.

5.12 Taxes on Amounts Paid to Franchisor. All payments required to be made by Franchisee to Franchisor shall be the gross amount determined according to the applicable paragraph, without deduction for any sales, use, withholding, gross receipts, income, or other taxes that may be levied or assessed on the payments by any state, county, or municipality in which the Franchised Business is located or operates, in which Franchisee resides, or which otherwise possesses the power to tax Franchisee or the Franchised Business. Franchisee shall remit to the appropriate taxing authorities all sales, use, withholding, gross receipts, or other taxes (other than income taxes) levied or assessed on amounts paid by Franchisee to Franchisor which would otherwise be due from Franchisor, shall promptly deliver to Franchisor receipts of applicable governmental authorities showing that all such taxes were properly paid in compliance with applicable law, and shall indemnify and defend Franchisor and hold Franchisor harmless from and against all liability for such taxes (including interest and penalties thereon). Franchisee shall fully and promptly cooperate with Franchisor to provide such information and records as Franchisor may request in connection with any application by Franchisor to any taxing authority with respect to any tax credits.

5.13 Application of Payments. As to Franchisee and any Affiliate of Franchisee, Franchisor has the right to: (i) apply any payments received to any past due, current, future or other indebtedness of any kind in Franchisor's Business Judgment, regardless of how payment is designated by Franchisee or any other Person; (ii) set off, from any amounts that may be owed by Franchisor, any amount owed to Franchisor or any Branding Funds; and (iii) retain any amounts received for Franchisee's account (and/or that of any Affiliate of Franchisee), whether rebates from suppliers or otherwise, as a payment against any amounts owed to Franchisor. Franchisor can exercise any of the foregoing rights in connection with amounts owed to or from Franchisor, any Franchisor-Related Person, and/or any Branding Funds.

5.14 Currency. Unless otherwise specified, all references to money in this agreement mean United States Dollars.

ARTICLE 6

DUTIES OF FRANCHISOR

6.1 Assistance by Franchisor. Franchisor, at its sole expense and cost, shall provide the following assistance and materials to Franchisee:

(a) a Start-up Package containing the technology package (including tablet computers and keyboard, and other hardware, accounting and other software programs), marketing and promotional materials, a vehicle branding allowance, 6 months Digital Marketing Package, business cards, uniforms, tool package, and other supplies required for the operation of the Franchised Business, as detailed in Exhibit C. Items in the Start-Up Package will be modified from time-to-time

with some items being retired and eliminated from the Start-Up Package and some new items being added to the Start-Up Package;

(b) the initial training described in section 7.1, which must be at a minimum either Franchisee or the Designated Representative;

(c) a list of all equipment necessary to operate the Franchised Business;

(d) approved and readily available sources for purchasing supplies, advertising and marketing materials, computer hardware and software, and other items necessary for the operation of the Franchised Business;

(e) periodic assistance to the extent Franchisor deems necessary in its Business Judgment; and

(f) periodic newsletters, bulletins, and such other materials, information and assistance as Franchisor may from time to time deem necessary in its Business Judgment.

6.2 Manual. Franchisor will provide to Franchisee, at no charge to Franchisee, access to Franchisor's online portal for access to their Manual.

6.3 Software. Franchisor will provide Franchisee with customized management software. The Franchisee shall use the Software in connection with the operation of the franchised business. At the time Franchisee executes this agreement, Franchisee shall execute a Software Terms of Use Agreement with a third-party software provider and thereafter shall execute a new or successor Software Terms of Use Agreement as required by the third-party software provider in connection with the Software or any Enhancement thereto. Franchisor shall assist Franchisee with the setup of the Software and provide training and support services in combination with the third-party software provider. Franchisee shall pay the third-party software provider all continuing periodic user, support, maintenance, and upgrade fees required by the Software Terms of Use Agreement. The Software and all supporting files are protected by United States copyright laws and international treaty provisions. Franchisee may not rent, lease, sell, reverse engineer, decompile, disassemble, modify, or create derivative works from the Software. The Software and all supporting files are Confidential Information and remain the property of Franchisor at all times. In no event, will Franchisor be liable to Franchisee, its Principals, Remote Principals, representatives, directors, officers, or agents, for any special, consequential, indirect or similar damages, including any lost profits or lost data arising out of the use or inability to use the Software or any data supplied therewith, even if Franchisor or anyone else has been advised of the possibility of such damages, or for any claim by any other person. Franchisee shall use only the Software or other software provided or designated by Franchisor or the Franchisor's recommended third-party software provider, and no other computer programs or applications, to maintain financial, client and referral contact information relating to the Franchised Business and to prepare inspection agreements and reports in connection with the operation of the Franchised Business. Franchisee may use the Software only in connection with the operation of the Franchised Business. Franchisee shall obtain support for the Software only from vendors designated by Franchisor from time to time. **FRANCHISOR DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE SOFTWARE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**

ARTICLE 7

DUTIES OF FRANCHISEE

7.1 Training. Within six months after the Effective Date and before opening the Franchised Business, either Franchisee or the Designated Representative shall complete, to Franchisor's satisfaction,

Franchisor's initial training program for new franchisees at Franchisor's corporate headquarters or other facility designated by Franchisor. If Franchisee or the Designated Representative fails to complete the initial training program to Franchisor's satisfaction within six months after the Effective Date, then Franchisor may terminate this agreement without refunding any money paid by Franchisee. Franchisee or the Designated Representative also shall attend and complete, to Franchisor's satisfaction, all additional training programs reasonably required by Franchisor from time to time. Franchisor, at its option, may charge Franchisee a fee for any additional training. Training programs may be held, in Franchisor's Business Judgment, at Franchisor's corporate headquarters, a convention or national or regional meeting site, or any other facility designated by Franchisor. In connection with all such training, Franchisee is responsible for all expenses incurred by Franchisee or its trainees, including the cost of travel, lodging, meals, wages and training fees charged by Franchisor.

7.2 System Standards. Franchisee acknowledges and agrees that every detail of the System is important, not only to Franchisee but also to Franchisor and other HomeTeam Franchisees, in order to develop and maintain high and uniform operating standards, to increase the demand for the products and services sold by all HomeTeam Franchisees, and to establish and maintain a reputation for providing uniform, efficient, and high-quality services. Franchisee further acknowledges and agrees that a fundamental requirement of the System, this agreement, and other HomeTeam Franchises is adherence by all HomeTeam Franchisees to the System Standards (as defined in section 19.49). Accordingly, Franchisee shall comply with each and every System Standard, as periodically modified and supplemented by Franchisor in its Business Judgment, during the term of this agreement. Franchisee further agrees that System Standards prescribed from time to time in the Manual or otherwise communicated to Franchisee in writing will constitute provisions of this agreement as if fully set forth in this agreement. All references to this agreement include all System Standards as periodically modified.

7.3 Authorized Products and Services. Franchisee shall offer and sell all Authorized Products and Services (as defined in section 19.3) and only Authorized Products and Services. Franchisor may unilaterally add products or services to the Authorized Products and Services in its Business Judgment at any time. Franchisor may also designate any Authorized Products and Services as optional.

7.4 Equipment.

(a) Franchisee shall purchase and install, at Franchisee's expense, all fixtures, furnishings, signs, the Communication and Information System described in section 7.18, the service vehicles described in section 7.4(b), and other equipment specified by the Systems Standards as modified from time to time; and shall not permit the installation of any fixtures, furnishings, signs, software, or equipment that does not conform to the System Standards as modified from time to time.

(b) To protect the best interests of all franchisees, Franchisor has established specifications and guidelines for the acceptable appearance and use of all HomeTeam service vehicles and signage, including the color and use of the HomeTeam logo decals. Franchisee shall use the service vehicles solely for the operation of the Franchised Business in compliance with this agreement. Franchisee shall ensure that its service vehicles present a professional image in conformance with the System Standards, and shall maintain them in good repair and safe condition, which may include the repair or replacement of damaged, worn-out or obsolete equipment, signs and service vehicles. Franchisee shall modify, re-equip and refurbish its service vehicles at reasonable intervals as Franchisor directs, to accommodate changes in the System Standards as required of new HomeTeam Franchisees. Franchisee shall place or display on the service vehicles only signs, emblems, lettering, logos, and display and marketing materials approved by Franchisor. If at any time in Franchisor's Business Judgment, the general state of repair, appearance or cleanliness of Franchisee's service vehicles, or any fixtures, equipment, or signs used in the Franchised Business,

do not meet Franchisor's standards, Franchisor will notify Franchisee, specifying the action required to correct the deficiency. If Franchisee does not correct the deficiency within thirty days, Franchisor has the right (in addition to Franchisor's rights under Article 13) to prohibit Franchisee from using any substandard service vehicle, and the right, but not the obligation, to correct the deficiencies on Franchisee's behalf, and Franchisee shall reimburse Franchisor upon demand for all costs incurred by Franchisor to correct the deficiencies.

7.5 Supplier Approval. Franchisee shall purchase all furnishings, fixtures, signs, supplies and other products, materials and services required for the operation of the Franchised Business solely from suppliers (including manufacturers, distributors, wholesalers, and brokers) who have been approved or designated by Franchisor. Franchisor will base its approval of suppliers upon a variety of factors, including their ability to meet Franchisor's then current standards and specifications; their quality controls; their capacity to supply Franchisee's needs promptly and reliably; and their prices. Franchisee recognizes that because of price discounts, benefits or other legitimate sales incentives, Franchisor may require Franchisee to participate with Franchisor or other HomeTeam Franchisees when purchasing certain items, products or services to be sold or utilized in the Franchised Business. If Franchisee desires to purchase any items from an unapproved supplier, Franchisee shall submit to Franchisor a written request for approval or request the supplier itself to do so. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, at Franchisor's option, either to Franchisor or to an independent certified laboratory designated by Franchisor, for testing, and the actual cost for the tests shall be paid by Franchisee or the supplier. Franchisor shall use its best efforts to notify Franchisee of Franchisor's approval or disapproval within fifteen days after Franchisor receives all information requested by Franchisor. Franchisor has the right, in its Business Judgment, to inspect the facilities and products of any approved supplier, and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's criteria. Franchisor and its Affiliates have the right to receive rebates, discounts, allowances, and other payments from suppliers in respect of group purchasing programs and otherwise on account of the suppliers' dealings with Franchisee and other HomeTeam Franchisees, which Franchisor is entitled to retain and use without restriction for any purpose and without accounting to Franchisee.

7.6 Business Operation. Franchisee shall open the Franchised Business within six months after the Effective Date, or, with Franchisor's prior written approval, such longer period as may be required to comply with governmental licensing requirements. After opening, Franchisee shall maintain the Franchised Business in continuous operation during the term of this agreement. Franchisee shall not use or permit the use of the Franchise Premises for any purpose or activity other than the operation of the Franchised Business without first obtaining the written consent of Franchisor. This restriction does not apply if the Franchise Premises is located in Franchisee's residence.

7.7 Minimum Gross Sales.

(a) Franchisee's Gross Sales for each anniversary date of their opening date each year must equal or exceed the applicable "Minimum Annual Gross Sales". If your territory is a Limited territory, you will be required to achieve a minimum sales volume, or "Minimum Annual Gross Sales," of $25,000 at the end of the first year after your HomeTeam franchise is open, $50,000 at the end of your second year after your HomeTeam franchise is open, and $75,000 at the end of your third year after your HomeTeam franchise is open and each year thereafter. If your territory is a Standard territory, you will be required to achieve a minimum sales volume, or "Minimum Annual Gross Sales," of $50,000 at the end of the first year after your HomeTeam franchise is open, $85,000 at the end of your second year after your HomeTeam franchise is open, and $125,000 at the end of your third year after your HomeTeam franchise is open and each year thereafter. If your territory is a Premium territory, you will be required to achieve a minimum sales volume of $75,000 at the

end of the first year after your HomeTeam franchise is open, $125,000 at the end of your second year after your HomeTeam franchise is open, and $250,000 at the end of your third year after your HomeTeam franchise is open and each year thereafter. Franchisee's failure to achieve or exceed the Minimum Annual Gross Sales is a material breach of this agreement, for which Franchisor, in addition to its other legal and equitable remedies, may terminate this agreement in accordance with section 13.2, reduce the geographic size of the Territory or require mandatory operational remediation.

For example, for a Standard territory, Franchisee's Gross Sales for last day of the year before the second anniversary date of the opening date must equal or exceed $85,000. For a Premium territory, Franchisee's Gross Sales for last day of the year before the second anniversary date of the opening date must equal or exceed $125,000 and before the third anniversary date of the opening date must equal or exceed $250,000. For example, for an opening date of May 23, 2022, Year 1 begins on that date and ends on May 22, 2023; Year 2 begins on May 23, 2023 and ends on May 22, 2024; Year 3 begins on May 23, 2024 and ends on May 22, 2025; and so on.

(b) Franchisee acknowledges that the Minimum Annual Gross Sales amounts do not constitute, and are not in the nature of, "earnings claims" or "financial performance representations." Franchisor disclaims any representation, warranty, or guarantee that Franchisee can or will achieve levels of sales necessary to comply with the Minimum Annual Gross Sales amounts above, or any other level or range of sales, income, or other measures of performance. As a practical business matter, Franchisor is unable to reliably estimate or predict the future financial or other results of any HomeTeam Franchisee, and is unable to reliably estimate or predict Franchisee's potential results.

Franchisee specifically understands that section 7.7 above permits Franchisor to terminate this agreement or reduce the size of Franchisee's Territory if Franchisee fails to achieve or exceed the applicable Minimum Gross Sales.

_____ Initials of Franchisee or individual signing on behalf of Franchisee

7.8 Management of Franchised Business. At all times during the term of this agreement, Franchisee, or the Designated Representative, shall devote his or her full time, energy, and best efforts to the management and operation of the Franchised Business. The Franchised Business must at all times be under the direct supervision of Franchisee or the Designated Representative.

7.9 Payment of Liabilities and Taxes. Franchisee shall pay its distributors, lessors, contractors, suppliers, trade creditors, employees, and other creditors promptly as the debts and obligations to such parties become due, and pay all taxes on real and personal property, leasehold improvements, and fixtures and equipment, and all sales and use, income, payroll and other taxes promptly when due, and shall hold Franchisor harmless therefrom. All taxes shall be paid directly to the appropriate taxing authority prior to the delinquent date. If Franchisee fails to pay any such obligations promptly as they become due, or if any taxes become delinquent, Franchisor, in addition to its other remedies provided in this agreement, may pay any obligation or tax on behalf of Franchisee, together with any late charges, penalties, and interest, if any, and Franchisee shall, upon demand, reimburse Franchisor for any sums Franchisor has paid, together with interest at the rate of 18% per annum, or the highest rate allowed by law, whichever is less, from the date of payment by Franchisor to the date of reimbursement by Franchisee.

7.10 Records and Reports. Franchisee shall maintain and preserve, for at least six years after the date of their preparation, full, complete and accurate books and records of account, prepared in accordance with

generally accepted accounting principles, and customer files and records, all in the form and manner prescribed by Franchisor in the Manual or otherwise in writing. In connection with its maintenance of such accounts and records Franchisee, at its expense, shall:

(a) Make available to Franchisor, by 5:00 p.m. Eastern Time on Monday of each week, a Gross Sales report in the form prescribed by Franchisor, certified by Franchisee or by the Designated Representative, accurately reflecting Franchisee's Gross Sales during the preceding weekly reporting period ending on Sunday, and such other data or information as Franchisor may require;

(b) Make available, upon request by Franchisor, an income statement and balance sheet, certified by Franchisee or by the Designated Representative as accurately reflecting the results of operations of the Franchised Business for the preceding calendar year and the financial condition of the Franchised Business as of December 31 of the preceding calendar year, together with such other information as may be prescribed by Franchisor;

(c) Make available, upon request by Franchisor, signed copies of the federal income tax return for the previous tax year, as filed with the Internal Revenue Service, of Franchisee and of any Affiliate of Franchisee;

(d) Make available, upon request by Franchisor, such other forms, reports, bank statements, customer files, records, information and data as Franchisor may reasonably request;

(e) Use only the chart of bookkeeping accounts prescribed by Franchisor in the Manual or otherwise communicated to Franchisee;

(f) Purchase and install such equipment as Franchisor may require to automate the reporting of financial information and the payment of recurring fees by Franchisee pursuant to this agreement, including Internet or online portal reporting and pre-authorization of electronic funds transfer or bank debit; and

(g) At all times during the term of this agreement and for a period of three years after the termination or expiration of this agreement, permit Franchisor or its designated agents at all reasonable times to examine, at Franchisor's expense and at such location as Franchisor may reasonably select, Franchisee's books and records of account, bank statements, canceled checks, customer files, federal, state and local income tax, sales tax, and payroll tax returns, and any other information or records pertaining to the Franchised Business or which Franchisee is required to maintain under this agreement (hereafter referred to as Franchisee's "Business Records"). If, as a result of any inspection, Franchisor determines that Franchisee has understated its Gross Sales (as defined in section 5.9) in any report to Franchisor, then Franchisee shall immediately pay the Royalty and Branding Contribution payable on the amount of the understatement, plus the late fee and interest imposed by section 5.8. In addition, if, as a result of any inspection, Franchisor determines that Franchisee has understated its Gross Sales by 3% or more for any weekly period, or if an inspection is prompted by Franchisee's failure to maintain any records or to timely submit any report or other information required by this agreement, then Franchisee shall reimburse Franchisor for all costs and expenses of the inspection (including wages paid by Franchisor to its employees, travel expenses, and reasonable accounting and legal expenses). The foregoing remedies are in addition to any other remedies Franchisor may have under this agreement or at law or in equity. Franchisor may also, at all times during the term of this agreement and for a period of three years after the termination or expiration of this agreement, retain an independent party to audit Franchisee's Business Records. The terms of this paragraph will survive the expiration, termination or cancellation of this agreement.

7.11 Insurance.

(a) Before opening the Franchised Business and thereafter at all times during the entire term of this agreement, Franchisee, at its own expense, shall obtain and keep in force by advance payment of premium policy coverages that we specify. Commercial General Liability Insurance covering claims for bodily and personal injury, death, and property damage with a minimum per occurrence limit of $1,000,000 and a minimum general aggregate limit of $1,000,000. Errors and Omissions Insurance covering claims for bodily injury, death and property damage arising out of the rendering or failure to render building inspection services by Franchisee or any agent of Franchisee, with a minimum per occurrence limit of $1,000,000 and a minimum general aggregate limit of $1,000,000 or other high limits if you routinely inspect high valued homes. Endorsements for ancillary inspection types to include mold, radon, termite, pool/spa, code, lead, carbon monoxide and septic/water at a minimum must be obtained and maintained. Automobile Liability Insurance for owned, hired, and non-owned vehicles with a minimum combined single limit of $1,000,000. Worker's Compensation Insurance that complies with the statutory requirements of the state in which the Franchised Business is located and Employers' Liability Insurance with a minimum limit of $100,000 or, if greater, the statutory minimum limit if required by state law.

(b) Franchisee shall maintain such other insurance as may be required by statute or rule of the state or locality in which the Franchised Business is located and operated, and as may be required by any lease to which Franchisee is a party. All policies of insurance that Franchisee is required to maintain hereunder shall have a deductible of not more than $5,000. Commercial General Liability Insurance, Errors and Omissions Insurance, and Automobile Liability Insurance shall contain a separate endorsement naming Franchisor as an additional insured and must contain a waiver of subrogation in favor of the additional named insureds. You cannot open your franchise until you have obtained all required insurance coverage. All insurance shall be placed with an insurance carrier or carriers approved in writing by Franchisor and shall not be subject to cancellation, termination, or reduction except upon ten days written notice to Franchisor. Franchisor's review or verification that the franchisee's coverage complies with its contractual requirements does not reduce or eliminate franchisee's obligation to confirm its policies are in compliance with the franchise agreement. Franchisee shall submit to Franchisor, before opening the Franchised Business, certifications of insurance (with a copy of the original policy attached) and a workers' compensation certificate of premium payment, showing full compliance with the requirements of this paragraph, and shall keep current certifications on deposit with Franchisor at all times during the term of this agreement. Franchisee shall not open or operate the Franchised Business until Franchisee has complied with all of the requirements of this paragraph. If Franchisee fails to comply with these requirements, Franchisor has the right (but is not obliged) to obtain the required insurance and keep it in force and effect, and Franchisee shall pay Franchisor, upon demand, the cost thereof, together with interest thereon at the rate of 18% per annum, or the highest rate allowed by law, whichever is less. Franchisor, upon not less than thirty days written notice to Franchisee, may reasonably increase the minimum coverage for any insurance required hereunder, decrease the maximum deductible, or require different or additional kinds of insurance coverage to reflect inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. The terms of this paragraph will survive the expiration, termination or cancellation of this agreement.

7.12 Non-Individual Franchisee. If Franchisee is not an individual, it shall comply with the following requirements before its execution of this agreement:

(a) Franchisee shall be newly organized and its articles of incorporation or organization, bylaws, partnership agreement, or operating agreement shall provide that its activities are confined exclusively to operating the Franchised Business.

(b) Franchisee shall provide Franchisor with written information about each Principal of Franchisee and the interest of each on Exhibit A hereto, and shall promptly notify Franchisor of any changes in any such information during the term of this agreement;

(c) All Principals of Franchisee shall enter into a Guaranty and Assumption of Obligations, in a form satisfactory to Franchisor, unconditionally guaranteeing the full payment and performance of Franchisee's obligations to Franchisor.

(d) Each ownership certificate of Franchisee must have conspicuously endorsed upon its face the following legend:

"The transfer, sale or pledge of these shares is subject to the terms and conditions of a Franchise Agreement with The HomeTeam Inspection Service, Inc."

If Franchisee is a partnership or limited liability company without certificates evidencing ownership, Franchisee shall provide Franchisor with acceptable evidence that its partnership or operating agreement or other organizational documents contain provisions acceptable to Franchisor prohibiting the Transfer (as defined in section 19.52) of any Ownership Interest in Franchisee (as defined in section 19.34) other than in compliance with the terms of this agreement. Franchisee shall not cause or permit any such provision to be deleted or modified during the term of this agreement.

(e) Franchisee shall furnish Franchisor for its approval copies of Franchisee's articles of incorporation or organization, by-laws, partnership agreement, and/or operating agreement, as the case may be, and other organizational documents, including the resolutions of its Principals or governing board authorizing the execution of this agreement.

(f) Franchisee's name may not contain any of the Marks or any colorable variation thereof.

7.13 Compliance with Law. Franchisee shall comply with all laws, regulations and requirements of federal, state, municipal, and other governmental entities and agencies (including fictitious or assumed name statutes, Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act, and any other federal, state or local employment laws), and obtain and maintain any and all licenses and permits required by any governmental agencies or otherwise necessary to conduct the Franchised Business in any jurisdiction in which it operates. Franchisee agrees and acknowledges that Franchisee alone is responsible for compliance with the obligations under this paragraph and that Franchisor has no obligation to Franchisee or any other Person for Franchisee's compliance under this paragraph. Franchisee specifically acknowledges and agrees that its indemnification responsibilities in Article 17 include Franchisee's obligations under this paragraph. In connection with its obligations under this paragraph, Franchisor hereby consents for Franchisee to disclose to Franchisee's legal counsel, for the purpose of ensuring compliance with and enforceability under state and local law, any and all forms, agreements and other documents provided by Franchisor for use in the Franchised Business.

7.14 Compliance with USA Patriot Act. Franchisee certifies that neither Franchisee nor any of its Affiliates, Principals, or employees is listed in the Annex to Executive Order 13224 ("the Annex," which is available at http://www.treasury.gov/offices/enforcement/ofac/sdn.) Franchisee shall not hire nor have any dealings with a Person listed in the Annex. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee or any of its Affiliates, Principals, or employees being

listed in the Annex. Franchisee shall comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws (as defined in section 19.2). In connection with such compliance, Franchisee certifies, represents, and warrants that none of its property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its Affiliates and Principals are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities in Article 17 include Franchisee's obligations under this section 7.14. Any misrepresentation by Franchisee under this paragraph or any violation of the Anti-Terrorism Laws by Franchisee, its Affiliates, Principals, or employees, will constitute grounds for immediate termination of this agreement and any other agreement between any Franchisor-Related Person and Franchisee or any of its Affiliates, Principals, or employees.

7.15 Customer Dispute Resolution. Franchisee acknowledges that customer satisfaction is essential to Franchisee's success as well as the reputation and success of the Marks, the System, and other HomeTeam Franchisees. Accordingly, Franchisee agrees to: (i) use its best efforts to ensure the satisfaction of each of Franchisee's customers; (ii) use good faith in all dealings with customers, potential customers, Referral Sources, suppliers and creditors; (iii) respond to customer complaints in a courteous, prompt, and professional manner; and (iv) use its best efforts to promptly and fairly resolve customer disputes in a mutually-agreeable manner. If Franchisee fails to resolve a dispute with a customer, for any reason whatsoever, Franchisor, in its Business Judgment and for the sole purpose of protecting the goodwill and reputation of the Marks, may (but shall not be obligated to) investigate the matter and require Franchisee to take such actions as Franchisor may deem necessary or appropriate to resolve the dispute fairly and promptly. Nothing contained in this section or in any other provision of this agreement shall be construed to impose liability upon Franchisor to any third party for any action by or obligation of Franchisee.

7.16 Background Review of Employees. Franchisee acknowledges and understands that Franchisee's employees will be entering the homes of Franchisee's customers and other Persons to sell and provide Authorized Products and Services. Accordingly, to ensure the safety of Franchisee's customers and other Persons, before hiring any prospective employee, Franchisor suggests that Franchisee conduct a background review of the prospective employee's criminal, motor vehicle and/or credit history, and update each employee's background review at least every two years. Franchisee shall not hire any individual or retain any employee for any position involving entrance to any residence if the prospective or current employee's background review indicates, in Franchisee's reasonable judgment, a propensity for violence, dishonesty, or negligent, reckless or careless behavior. Franchisor is not liable to Franchisee, any employee or prospective employee of Franchisee, or any other Person for any act or omission of Franchisee or any employee or agent of Franchisee. Franchisee specifically acknowledges and agrees that its indemnification responsibilities in Article 17 include Franchisee's (i) obligations under this paragraph (ii) any claims, demands or actions arising from any act or omission of Franchisee or any employee or agent of Franchisee relating to refusal to hire, negligent hiring, or employment discrimination, and (iii) claims asserted by third parties for intentional torts allegedly committed by any employee or agent of Franchisee.

7.17 Designated Representative. Before beginning the initial training program described in section 7.1, Franchisee shall designate, subject to Franchisor's reasonable approval, a "Designated Representative" who will be responsible for general oversight and management of the operations of the Franchised Business on behalf of Franchisee. The Designated Representative must attend and successfully complete the initial training program and such other training programs as Franchisor may from time to time require during the term of this agreement. Franchisee acknowledges and agrees that Franchisor has the right to rely upon the Designated Representative to have been given, by Franchisee, decision-making authority and responsibility regarding all aspects of the Franchised Business. If the person designated as the Designated Representative dies, becomes incapacitated, leaves Franchisee's employ, transfers his/her interest in

Franchisee, or otherwise ceases to supervise the operations of the Franchised Business, Franchisee shall promptly designate a new Designated Representative, subject to Franchisor's reasonable approval.

7.18 Communication and Information System. To ensure the efficient management and operation of the Franchised Business and the transmission of data to and from Franchisor, Franchisee, at its own expense, shall install, prior to opening the Franchised Business, and shall maintain and utilize during the term of this agreement, the Communication and Information System specified by the System Standards from time to time.

(a) As used in this agreement, the term "Communication and Information System" means: computer hardware (including one or more computers and/or other computer components); computer software for the management and operation of the Franchised Business and reporting and sharing information with Franchisor; and communication systems (including modems, satellite, cable, and other systems).

(b) Franchisee shall lease and/or purchase its Communication and Information System only from suppliers that Franchisor has approved in writing pursuant to section 7.5. Franchisee shall not install, or permit to be installed, any devices, software or other programs not approved by Franchisor for use with the Communication and Information System.

(c) Franchisor may from time to time develop or authorize others to develop proprietary or customized computer applications for use in the System, which Franchisee may be required to purchase and/or license and use in the operation of the Franchised Business. Franchisee shall execute any license, sublicense, or maintenance agreement required by Franchisor or any other approved licensor or supplier of proprietary computer applications designated by Franchisor. Franchisee agrees that Franchisor has no liability to Franchisee or any other Person for any damages, costs, or expenses caused by Third-Party Software (as defined in section 19.51).

(d) If required by Franchisor, Franchisee shall obtain and maintain a contract with a supplier that Franchisor has approved in writing for software maintenance, support, and upgrade services for Franchisee's Communication and Information System and to provide Franchisee with such assistance as Franchisee and Franchisee's employees may require. Franchisee acknowledges that Franchisor may be one of, or the only, approved supplier for such services, and if Franchisee obtains these services from Franchisor, then Franchisee shall pay Franchisor any fees, if any, required by Franchisor for the services. Notwithstanding Franchisor's right to provide such services, this paragraph does not obligate Franchisor to provide any such services or support for the hardware or software used in the Communication and Information System.

(e) Franchisor may modify the Communication and Information System specifications as needed from time to time to maximize the operation of the Software, to maintain access to the Franchisee online portal, or to foster the efficient operation and management of the Franchised Business. Franchisee shall make all Enhancements to its Communication and Information System in the manner and when specified by Franchisor in accordance with section 9.3.

(f) Franchisee shall have the sole and complete responsibility for the manner in which Franchisee's Communication and Information System interfaces with other systems, including those of Franchisor and other third parties, as well as any and all consequences that may arise if Franchisee's Communication and Information System is not properly operated, maintained, and upgraded.

(g) Franchisee shall: (a) promptly enter into its Communication and Information System and maintain all information required to be entered and maintained by Franchisor; (b) provide to

Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained, and (c) permit Franchisor to access Franchisee's Communication and Information System at all times by any commercially available means specified by Franchisor from time to time. Franchisee shall cooperate with Franchisor, and shall execute all documents required by Franchisor, to permit access to Franchisee's Communication and Information System and data contained therein. The reporting requirements in this section are in addition to and not in lieu of the reporting requirements in section 7.10.

(h) Any and all data collected or provided by Franchisee, downloaded from Franchisee's Communication and Information System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor, who has the right to use the data in any manner without compensation to Franchisee. Franchisee is hereby licensed, without additional compensation, to use such data solely for the purpose of operating the Franchised Business. This license will automatically and irrevocably expire, without additional notice or action by Franchisor, when this agreement terminates or expires.

(i) Franchisee shall maintain at least one dedicated telephone line for use exclusively by the Franchised Business. Each telephone line shall have service features as required by Franchisor in the Manual or otherwise communicated to Franchisee from time to time. Franchisor may require Franchisee to provide a full-time employee or answering service to answer Franchisee's telephone during regular business hours. All lines shall be operational and functional before opening the Franchised Business and thereafter at all times.

(j) Before opening the Franchised Business and thereafter at all times, Franchisee shall obtain and maintain a high-speed Internet connection. Franchisee hereby authorizes Franchisor to communicate with Franchisee via electronic mail.

(k) Franchisor has the right, but not the obligation, to establish a Franchisee Online portal (as defined in section 19.16) in its Business Judgment. If required by Franchisor, Franchisee shall establish and maintain access to and use the Franchisee Online portal in the manner specified by Franchisor. Franchisor may, in its Business Judgment, use the Franchisee Online portal to provide various forms of training and other assistance to Franchisee, to provide access to the Manual and updates thereto, for HomeTeam Franchisees to file financial and other reports required by Franchisor, for general communications between Franchisor and HomeTeam Franchisees and among HomeTeam Franchisees, and for such other purposes as Franchisor may authorize or require from time to time. Franchisee shall use the Franchisee Online portal for those purposes designated by Franchisor and follow the usage rules, policies and requirements as they may be modified by Franchisor from time to time. Franchisee understands that the Franchisee Online portal may be inaccessible if Franchisee does not follow the usage rules, policies, and maintain the required Communication and Information System, or maintain a high-speed connection to the Franchisee Online portal. Franchisor is not responsible for any damages incurred by Franchisee in such event or that may arise due to any Internet service provider failing to provide service.

7.19 Attendance at Franchisee Meetings and Conventions. Franchisor may, but is not obligated to, hold an annual convention and national and/or regional meetings with Franchisor's personnel and HomeTeam Franchisees at locations designated by Franchisor, to provide additional training, exchange sales, operating and marketing ideas and methods, introduce new software, marketing programs, or promotional items, and for any other purpose determined by Franchisor. Franchisee or the Designated Representative shall attend all national and/or regional meetings designated by Franchisor as mandatory. Franchisor has the right to charge Franchisee a reasonable fee for conventions or meetings. Convention fee must be paid

regardless of whether you attend the convention. Nothing in this agreement is to be construed to require Franchisor to hold, provide, sponsor, host, or organize any conventions or meetings.

7.20 Covenants of Employees and Agents. Franchisee shall require each of its management employees (except those individuals required to execute a Nondisclosure and Noncompetition Agreement pursuant to section 15.9), at the time of the commencement of their association with Franchisee, to execute an "Engagement Agreement" containing provisions:

(a) requiring that all Confidential Information (as defined in section 10.1) that may be acquired by or imparted to the person in connection with their association with Franchisee (including the Manual, any proprietary or customized software provided by Franchisor, and all information contained therein) be held in strict confidence and used solely for the benefit of Franchisee or Franchisor during their association with Franchisee and at all times thereafter;

(b) prohibiting the person, during their association with Franchisee, from diverting or attempting to divert any business or customer of the Franchised Business or of any other HomeTeam Franchisee to any Competitive Business (as defined in section 19.8), by direct or indirect inducement or otherwise;

(c) prohibiting the person, during their association with Franchisee, from doing or performing, directly or indirectly, any act injurious or prejudicial to the goodwill associated with the Marks and the System; and

(d) prohibiting the person, during their association with Franchisee and for a continuous period of one year (or the maximum period permitted or enforced by the laws of the state in which the Franchised Business is located, if such period is less than one year, but in no event less than six months) after the termination of their association with Franchisee, from operating, owning, maintaining, promoting, engaging in, or performing services for (as an employee or otherwise) a Competitive Business.

(e) Franchisee shall provide, if requested by Franchisor, executed copies of all Engagement Agreements required by this section. Franchisee may not grant any person enumerated above access to any confidential aspect of the System or the Franchised Business before their execution of an Engagement Agreement. All Engagement Agreements required by this section must be in a form satisfactory to Franchisor and must specifically identify Franchisor as a third-party beneficiary with the independent right to enforce the agreement. Franchisee's failure to obtain the execution of all Engagement Agreements required by this section is a material breach of this agreement.

7.21 Disclosure of Information About Franchisee. Franchisee acknowledges that Franchisor may from time to time be required, or find it necessary to disclose to third parties, certain information about Franchisee and Franchisee's Principals, including personally identifiable information such as names, addresses, and telephone numbers, and information collected by Franchisor under sections 7.10, 7.18, and other provisions of this agreement. Franchisee hereby consents to Franchisor's collection, use, and disclosure of any information pertaining to the Franchised Business (including personally identifiable information of Franchisee and Franchisee's Principals) for Franchisor's reasonable business purposes and for any purpose described in Franchisor's privacy policy (as may be amended from time to time), subject to the limitations of this paragraph. Without limiting the generality of the foregoing sentence, Franchisee hereby consents to: (i) the collection, use and disclosure of any information about Franchisee and Franchisee's Principals (including personally identifiable information) to develop, modify, and enhance the System, to conduct credit checks or other personal history investigations, to develop general franchisee profiles, to comply with federal and state franchise disclosure and/or registration laws, and to otherwise comply with any applicable law; (ii) the transfer of any information (including personally identifiable

information) to any third party in order for Franchisor to fulfill its obligations under this agreement or attempt to obtain any benefit for Franchisor, Franchisee, or the System as a whole; and (iii) the release to Franchisee's landlord, lenders or prospective landlords or lenders, of any financial or operational information relating to Franchisee and/or the Franchised Business (without obligating Franchisor to do so). Franchisor shall protect confidential data and personally identifiable information of Franchisee's employees and customers. If Franchisor discloses financial information of Franchisee in a franchise disclosure document, Franchisor shall not identify Franchisee or disclose any personally identifiable information of Franchisee in connection with the financial information. "Personally identifiable information" is any information about a Person that can be used to uniquely identify, contact, or locate the Person.

ARTICLE 8

INTELLECTUAL PROPERTY

8.1 Use by Franchisee. Franchisee's right to use Franchisor's Marks, any proprietary or customized software provided by Franchisor, other materials in which Franchisor claims a copyright, trademark, or other right to exclusive use, trade secrets, and other Intellectual Property (as defined in section 19.27) as granted in this agreement is limited to their use in connection with the operation of the Franchised Business within the Territory, and otherwise as described in this agreement and as authorized in the Manual or as may be prescribed in writing by Franchisor from time to time. Franchisee shall use only the name listed on Exhibit B (the "Trade Name") as the trade name of the Franchised Business, shall use only the trademark listed on Exhibit B as its primary trademark to identify and distinguish the services offered by Franchisee, and shall use no other trade name, business name, or trademark in connection with the Franchised Business without Franchisor's prior written consent.

8.2 Exclusive Property of Franchisor. Franchisee acknowledges Franchisor's exclusive right, title and interest in and to its Intellectual Property, and the identification, schemes, standards, specifications, operating procedures, and other concepts embodied in the System. Franchisee is a "related company" within the meaning of 15 U.S.C. § 1127 and Franchisee's use of the Marks pursuant to this agreement inures to the benefit of Franchisor. Except as expressly provided by this agreement, Franchisee shall acquire no right, title or interest therein, and any and all goodwill associated with the System and the Intellectual Property shall inure exclusively to Franchisor's benefit. Upon the expiration or termination of this agreement, no monetary amount will be designated as attributable to goodwill associated with Franchisee's use of the System or the Intellectual Property.

8.3 Infringement by Franchisee. Franchisee acknowledges that its use of the Intellectual Property outside of the scope of this agreement without Franchisor's prior written consent is an infringement of Franchisor's rights, title and interest in and to its Intellectual Property, and that its use of the Marks after the expiration or termination of this agreement without Franchisor's prior written consent constitutes trademark counterfeiting. During the term of this agreement and after its expiration or termination, Franchisee shall not, directly or indirectly, commit an act of infringement or counterfeiting, or contest or aid in contesting, the validity or ownership of the Intellectual Property, or take any other action in derogation thereof. The provisions of this paragraph will survive the expiration, termination or cancellation of this agreement.

8.4 Infringement by Others. Franchisee shall promptly notify Franchisor of any use of any Intellectual Property, any colorable variation thereof, or any other property in which Franchisor has or claims a proprietary interest, by any Person other than Franchisor, its representatives and agents, or other HomeTeam Franchisees. Franchisee shall promptly notify Franchisor of any litigation instituted by any Person against Franchisor or Franchisee involving the Intellectual Property. If Franchisor, in its Business

Judgment, undertakes the defense, prosecution, or settlement of any litigation relating to the Intellectual Property, Franchisee shall execute all documents and render any assistance as Franchisor, in its Business Judgment, determines necessary to carry out such defense, prosecution or settlement. Franchisee acknowledges that the nature of trademark and intellectual property law makes it impossible for Franchisor to guarantee or warrant the exclusivity of Franchisor's right to use any of the Marks, and that nothing in this agreement or in any other document or promotional material provided by Franchisor to Franchisee or to any other party may be construed to guarantee, warrant, or imply that Franchisor's right to use any of the Marks is exclusive or superior to the rights of any other Person. If any Person demonstrates, to Franchisor's sole satisfaction, a superior right to use any of the Intellectual Property, Franchisee shall, upon demand by Franchisor, discontinue its use of such Intellectual Property and, in the case of the Trade Name or any of the Marks, adopt, at Franchisee's sole cost and expense, any replacement trade name or mark(s), if any, selected by Franchisor, and Franchisor will have no liability to Franchisee therefor.

8.5 Improper Use of Marks. Franchisee shall not use any of the Marks, or any derivative or colorable variation thereof: (i) as part of Franchisee's corporate, company, or partnership name; (ii) on or as part of any Website (as defined in section 19.54), domain name, URL, web page, electronic mail address, listing, banner, advertisement or any other service or link on, to or with the Internet, Internet service providers, electronic mail services, communication providers, search engines, social media sites, or other similar services; (iii) with any prefix, suffix, or other modifying words, terms, designs, or symbols (including the word "Inc."); (iv) after the expiration or termination of this agreement; or (v) in any modified form. Franchisee shall not register any of the Marks, or any derivative or colorable variation thereof, as a service mark, trademark, or Internet domain name, or hold out or otherwise employ the Marks to perform any activity or to incur any obligation or indebtedness in such a manner as could reasonably result in making Franchisor liable therefor or which may harm, tarnish, or impair Franchisor's reputation, name, service or Marks. If Franchisor provides Franchisee with any contracts, agreements, forms, or other documents that contain any of the Marks, Franchisee shall not alter or modify such contracts, agreements, forms, or documents without Franchisor's prior written consent. The provisions of this paragraph will survive the expiration, termination or cancellation of this agreement.

8.6 Non-exclusive Use. Franchisee expressly acknowledges and agrees that its license to use the Intellectual Property is non-exclusive, and Franchisor reserves all rights not expressly granted to Franchisee in this agreement, including those described in section 1.4.

8.7 Use by Others. Franchisee shall not permit any third party to imprint the Marks on any products, materials, documents, and supplies utilized by Franchisee in connection with the operation of the Franchised Business without first obtaining the consent of Franchisor and, at Franchisor's option, requiring the party to execute a license agreement as specifically described in section 6.2.

8.8 Ownership of Future Intellectual Property. All rights to any Intellectual Property that Franchisee acquires, obtains, develops, or creates for, in connection with, or which relates to, the Franchised Business during the term of this agreement (including all advertising, marketing, branding, promotional, public relations, or sales concepts, plans, programs, activities, materials, or Websites proposed or developed by Franchisee for the Franchised Business, whether or not they bear the Marks) are the sole property of Franchisor, free and clear of any claim by Franchisee or anyone claiming under Franchisee. Franchisor may use and authorize the use of any Intellectual Property to which this paragraph applies by other HomeTeam Franchisees without any compensation to Franchisee. If for any reason, Franchisee and not Franchisor is deemed to own any rights to any Intellectual Property to which this paragraph applies, then this agreement will operate as an agreement to irrevocably transfer and assign all rights in and to that Intellectual Property. Franchisee hereby irrevocably transfers and assigns to Franchisor all rights, title and interest in, and to all Intellectual Property to which this paragraph applies (including copyrights, as "works made for hire" under

the U.S. Copyright Act). Franchisee shall take no steps to appropriate for itself any Intellectual Property to which this paragraph applies. Franchisee shall, at Franchisor's request, execute all assignments, certificates or other instruments (and, if necessary, require its independent contractors to execute such documents as well) as Franchisor may from time to time deem necessary or desirable to evidence, establish, maintain, perfect, protect, enforce or defend its rights, title or interest in or to Intellectual Property to which this paragraph applies, or to otherwise effect the provisions of this paragraph.

ARTICLE 9

OPERATIONS MANUAL

9.1 Business Operations. In order to protect the reputation and goodwill of Franchisor and to maintain uniform standards of operation under the Marks, Franchisee shall conduct its operations hereunder in accordance with the Manual (as defined in section 19.30), as the same may be amended or modified from time to time, which Franchisee acknowledges having received on loan from Franchisor.

9.2 Confidentiality. The Manual shall at all times remain the sole property of Franchisor. Franchisor treats as confidential and proprietary the Manual and all information contained therein. Franchisee also shall treat as confidential and proprietary the Manual and all information contained therein, and shall use all reasonable efforts to maintain such information as confidential and proprietary. Franchisee shall also ensure that its employees treat as confidential and proprietary the Manual and all information contained therein. Franchisee shall not at any time copy, duplicate, record, or otherwise make the same available to any unauthorized person. The provisions of this paragraph will survive the expiration, termination or cancellation of this agreement.

9.3 Modification. Franchisor has the right to add to or otherwise modify the Manual from time to time in its Business Judgment to reflect changes in the industry, marketing techniques, or any of the System Standards, or advances in computer technology, so long as no addition or modification alters Franchisee's fundamental status and rights under this agreement. Without limiting the generality of the foregoing sentence, Franchisor has the right, during the term of this agreement, to require Franchisee to make Enhancements to the Communication and Information System at Franchisee's expense, and Franchisee agrees to acquire (or acquire the right to use for the remainder of the term of this agreement), within 120 days after receipt of written notice from Franchisor, the Enhancement specified by Franchisor and to take all actions as may be necessary to enable it to operate as specified by Franchisor. Any Enhancement may require Franchisee to incur costs to purchase, lease, and/or license new or modified computer hardware and/or software or other equipment and to obtain different and/or additional service and support services during the term of this agreement. Franchisee acknowledges that Franchisor cannot estimate the costs of future maintenance or Enhancements to the Communication and Information System or other items, and that any maintenance or Enhancement required by Franchisor may involve additional investment by Franchisee during the term of this agreement. Franchisee shall at all times insure that its copy of the Manual is kept secure, current, and up to date, and in the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's home office will be controlling. Upon Franchisor's request, Franchisee shall cooperate in the efficient return of all Manuals that have been identified by Franchisor as obsolete. As used in this agreement, "Enhancement" is a defined term that includes any modification, upgrade, update, enhancement, or replacement of all or any part of the Communication and Information System.

ARTICLE 10

CONFIDENTIAL INFORMATION

10.1 Definition. "Confidential Information" means any confidential and/or proprietary information and/or trade secrets relating to Franchisor, the System, the Franchised Business, or other HomeTeam Franchisees, and includes the following overlapping categories of information: (a) System business methods, techniques, specifications, standards, procedures, and formats; (b) Franchisor policies, procedures, information, concepts, systems, and knowledge of and experience in franchise development and operation, including the information comprising the System; (c) marketing programs for HomeTeam Franchises; (d) the Communication and Information System, each component thereof (including all aspects—including code, functions, menus, and screen views—of any proprietary or customized software developed or owned by Franchisor or any Affiliate of Franchisor), and all future Enhancements thereto; (e) the financial condition, results of operations, and other financial information about Franchisor, Franchisee, the Franchised Business, and/or other HomeTeam Franchisees; and (f) all information about all past, present and future customers and suppliers of the Franchised Business, including contact, statistical, financial, and personally identifiable information, and all lists. Franchisee may acquire Confidential Information from Franchisor through the Manual, through training, guidance, and assistance provided by Franchisor, through the operation of the Franchised Business, or from other HomeTeam Franchisees. Confidential Information is not intended to include any information that: is or subsequently becomes publicly available other than by the breach of a legal obligation; was known to Franchisee before becoming a HomeTeam Franchisee, or became known to Franchisee independently of Franchisee's relationship with Franchisor and other than through Franchisee's breach of a legal obligation.

10.2 Ownership of Confidential Information. Franchisee agrees that Franchisor owns and controls (i) all domain names and uniform resource locators ("URLs") containing any of the Marks (or any derivative or colorable variation thereof) or relating to any HomeTeam Franchise (including the Franchised Business), and (ii) all Confidential Information (which may include trade secrets belonging to Franchisor). Franchisee's only interest in any Confidential Information or proprietary information (even if not Confidential Information) is the right to use it pursuant to this agreement.

10.3 Use of Confidential Information. Franchisee agrees that Franchisee's relationship with Franchisor does not give Franchisee the right to use the Confidential Information for any purpose other than the development and operation of the Franchised Business in accordance with this agreement, and that the use of the Confidential Information in any other business would constitute unfair competition. Franchisee shall: (a) not use the Confidential Information in any other business or capacity; (b) maintain the absolute secrecy and confidentiality of the Confidential Information during and after the term of this agreement; (c) not make unauthorized copies of any portion of the Confidential Information; and (d) adopt and implement all reasonable procedures Franchisor prescribes from time to time to prevent unauthorized use or disclosure of or access to the Confidential Information. Franchisee shall divulge the Confidential Information only to those employees and agents of Franchisee who must have access to it in order to operate the Franchised Business in accordance with this agreement or to provide professional services or advice to Franchisee. In connection therewith, Franchisee is fully responsible for ensuring that its employees and agents comply with this section. The provisions of this paragraph will survive the expiration, termination or cancellation of this agreement.

10.4 Remedies. Franchisee acknowledges that any failure to comply with section 10.3 will cause Franchisor irreparable injury, and Franchisee consents to the issuance of, and agrees to pay all reasonable legal expenses incurred by Franchisor in obtaining, specific performance of, or any injunction by a court of competent jurisdiction against a violation of, the requirements of section 10.3.

10.5 Preservation of Confidentiality. Franchisee shall require Franchisee's Principals, Remote Principals, representatives, directors, officers, and management employees, at the time of the commencement of their association with Franchisee, to execute confidentiality agreements, in a form approved by Franchisor, requiring that all Confidential Information that may be acquired by or imparted to such Persons be held in strict confidence and used solely for the benefit of Franchisee and Franchisor, at all times during their association with Franchisee and thereafter. Franchisee shall require each prospective purchaser of the Franchised Business, of the license granted under this agreement, or of any interest in Franchisee, before disclosing any Confidential Information to such Person, to execute a confidentiality agreement, in a form approved by Franchisor, requiring that all Confidential Information that may be disclosed to such person in connection with his or her investigation of Franchisee or the Franchised Business will be held in strict confidence and used solely to evaluate the contemplated transaction. All confidentiality agreements described in this paragraph must include a specific identification of Franchisor as a third-party beneficiary with the independent right to enforce the agreement.

ARTICLE 11

ADVERTISING

Recognizing the value of marketing and the importance of consistency of advertising and promotion to the furtherance of the goodwill and public image of the System and the development of Franchisor's brands, the parties agree that Franchisor shall conduct, determine, maintain, and administer all national and/or regional marketing funds that are or may hereafter be established under section 11.2, and has sole discretion over the concepts, materials, media, type, nature, scope, frequency, place, form, copy, layout, and content of all national, regional, and local advertising, and accordingly agree as follows:

11.1 Branding Contribution. As required in sections 5.3, 5.4 and 5.5 Franchisee shall contribute to such national and/or regional branding funds (collectively, the "Branding Funds") as Franchisor may establish for marketing for the System.

11.2 Branding Funds. Franchisor has the right, in its Business Judgment, to establish one or more Branding Funds, both national and/or regional, and to designate any geographical area as a region for establishing regional Branding Funds. Franchisor shall maintain and administer the Branding Funds as follows:

(a) Franchisee agrees and acknowledges that the Branding Funds are intended to maximize general public recognition and acceptance of the Marks for the benefit of all Franchises within the System or within a region, as the case may be, and that Franchisor is not obligated in administering the Branding Funds to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contributions or to ensure that any particular HomeTeam Franchisee benefits directly or pro rata from the placement of advertising.

(b) The Branding Funds are not and will not be assets of Franchisor. The Branding Funds, all contributions thereto, and any earnings thereon, shall be used exclusively to meet any and all costs of maintaining, administering, researching, directing, and preparing advertising and/or promotional activities, including the costs of preparing and conducting marketing campaigns in various media; direct mail and outdoor billboard advertising; marketing surveys and other public relations activities; employing advertising agencies to assist therein; product development; maintaining and improving digital assets and developing and providing promotional and other marketing materials for HomeTeam Franchisees. No portion of the Branding Fund is used for advertising that is principally a solicitation for the sale of franchises, but Franchisor reserves the right to include a notation in any advertisement indication franchises are available.

(c) Franchisor shall, for each of its company-owned locations (if any), make contributions to the Branding Funds on the same basis as assessments required of comparable HomeTeam Franchisees.

(d) Franchisee shall contribute to the Branding Funds by separate transaction made payable to HOMETEAM BRANDING FUND or such other designation as Franchisor may from time to time prescribe. All contributions by Franchisee to the Branding Funds shall be maintained in an account separate from the other moneys of Franchisor. The contributions may not be used to defray any of Franchisor's general expenses, except for reasonable salaries, overhead, and administrative, accounting, legal (including the defense of any claims against Franchisor and/or Franchisor's designee regarding the management of the Branding Funds) and other costs, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Branding Funds or marketing programs for HomeTeam Franchisees and the System, including the costs of enforcing contributions to the Branding Funds required under this agreement and the costs of preparing a statement of operations. The Branding Funds and their earnings will not otherwise inure to the benefit of Franchisor. Franchisor shall maintain separate bookkeeping accounts for each Branding Fund. Franchisor may loan money to the Branding Funds.

(e) It is anticipated that all contributions to and earnings of the Branding Funds shall be expended for marketing and/or promotional purposes during the taxable year within which the contributions are made. If, however, excess amounts remain in the Branding Funds at the end of such taxable year, all expenditures in the following taxable year(s) shall be made first out of accumulated earnings from previous years, next out of earnings in the current year, and finally from contributions.

(f) Franchisee agrees that Franchisor (and any designee of Franchisor) will have no direct or indirect liability or obligation to Franchisee, the Branding Funds, or otherwise with respect to the management, maintenance, direction, or administration of the Branding Funds. Franchisee further agrees that Franchisor will not be liable for any act or omission, whether with respect to the Branding Funds or otherwise, that is consistent with this agreement or other information provided to Franchisee, or that is done in subjective good faith. Franchisee and Franchisor, each having a mutual interest and agreeing on the critical practical business importance of their relationship being governed solely by written instruments signed by the parties to be bound (and not having either party subject to the uncertainty inherent in the application of legal or other concepts not expressly agreed to in writing by both parties), agree that their rights and obligations with respect to the Branding Funds and all related matters are governed solely by this agreement, and that neither this agreement nor the Branding Funds are in the nature of a "trust," "fiduciary relationship" or similar special arrangement, but is only an ordinary commercial relationship between independent businesspersons for their independent economic benefit. The Fund is not audited, but an unaudited annual financial statement of the Fund is available to any franchisee after April 1 of each year.

11.3 Termination of Branding Funds. Although Franchisor intends the Branding Funds to be of perpetual duration, Franchisor has the right to terminate any Branding Fund. No Branding Fund may be terminated, however, until all moneys in the Branding Fund have been expended for marketing and/or promotional purposes or returned to HomeTeam Franchisees in Good Standing on the basis of their respective contributions during the one-year period immediately preceding the termination.

11.4 Marketing Materials. Franchisee shall obtain and maintain an adequate supply of brochures, pamphlets, and special promotional materials of such kind and size as Franchisor may reasonably require from time to time in the Manual or otherwise in writing.

11.5 Delegation of Franchisor's Duties. Franchisor has the right to delegate and redelegate its responsibilities and duties under this agreement to any designee(s) of its choosing, but shall retain the right of final approval of all marketing programs at all times.

11.6 Approval of Advertising. All advertising by Franchisee in any medium must be conducted in a dignified manner, conform to such standards and requirements as Franchisor may specify from time to time in writing, conform to all applicable laws and regulations relating to consumer advertising, be completely accurate and truthful, and give notice that the Franchised Business is independently owned and operated. Franchisee shall submit to Franchisor (by electronic mail), for Franchisor's prior approval (except with respect to prices to be charged), samples of all advertising and promotional plans and materials, including signs, and all other materials displaying the Marks that Franchisee desires to use and that have not been prepared or previously approved by Franchisor. Unless Franchisee receives a written objection thereto from Franchisor within fifteen days after Franchisor's receipt thereof, Franchisor will be deemed to have given the required approval. Franchisee shall display the Marks in the manner prescribed by Franchisor on all signs and all other advertising and promotional materials used in connection with the Franchised Business. The word "advertising" as used in this agreement includes signs (including signs on vehicles), uniform resource locators ("URLs"), e-mail addresses, Internet listings, banners, advertisements, pay-per-click programs, and other services or links on or with the Internet, Internet service providers, electronic mail services, communication providers, search engines (including Google.com and Yahoo.com), social media sites (including Facebook, LinkedIn and Twitter) and similar services. Additionally, in order to present a unified and consistent image to consumers, Franchisor has the sole and exclusive right, but not the obligation, to own and control any and all Internet Websites or web pages relating to or bearing the Marks, the System, or the Franchised Business, and to control other advertising, marketing and promotional activities relating to the Marks, the System, or the Franchised Business that are national or international in scope.

11.7 Website. Franchisee specifically acknowledges and agrees that a Website is "advertising" under this agreement, and is subject to (among other things) Franchisor's approval under section 11.6. In connection with any Website, Franchisee agrees to the following:

(a) Franchisor has the right, but is not obligated, to establish and maintain a Website, which may, without limitation, promote the Marks, the System, any or all of the Authorized Products and Services, HomeTeam franchised or company-owned locations, and/or the offer and sale of HomeTeam Franchises. Franchisor has the sole right to control all aspects of the Website, including its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage. Franchisor also has the right to discontinue the operation of the Website at any time.

(b) Franchisee shall not establish a separate Website.

(c) Franchisee shall not establish or permit or aid any other person to establish any links to any Website or any other electronic or computer-generated advertising or communication arrangement that Franchisor may establish.

(d) Franchisor has the right, but is not obligated, to designate one or more web page(s) to describe Franchisee, the Franchised Business, and/or Franchisee's location, with such web page(s) to be located within Franchisor's Website. Franchisee shall comply with Franchisor's policies and terms of use with respect to the creation, maintenance, and content of any such web pages, and Franchisor has the right to limit and/or discontinue the content and/or operation of such Website and web pages.

(e) Franchisor has the right to modify the provisions of this section 11.7 relating to Websites as Franchisor in its Business Judgment determines is necessary or appropriate for the best interests of the System.

11.8 Advertising Cooperatives. We do not currently have a local or regional advertising cooperative and have no plans to form such cooperatives in the immediate future.

ARTICLE 12

TRANSFERABILITY OF INTEREST

12.1 Transfer by Franchisor. Franchisor has the right to transfer or assign all or any part of its rights and/or obligations under this agreement to any Person, including a subfranchisor specifically responsible for assisting Franchisee. Franchisee shall execute any forms that Franchisor may reasonably request to effectuate any transfer or assignment by Franchisor.

12.2 Transfer by Franchisee.

(a) Franchisee understands and acknowledges that its rights and duties in this agreement are personal to Franchisee, and that Franchisor has entered into this agreement in reliance upon Franchisee's business skills and financial capacity. Accordingly, neither Franchisee, any Principal or Remote Principal of Franchisee, or any immediate or remote successor to any part of Franchisee's interest in the Franchise granted under this agreement, may Transfer any interest in this agreement, in the Franchised Business or the Franchise granted under this agreement, or in Franchisee, without the prior written consent of Franchisor. Any purported Transfer, by operation of law or otherwise, not having the written consent of Franchisor, is null and void and constitutes a material breach of this agreement, for which Franchisor may then terminate without opportunity to cure pursuant to Article 13.

(b) Except as provided in section 12.2(c), Franchisor shall not unreasonably withhold its consent to a Transfer, but Franchisor, in its Business Judgment, may require as conditions to Franchisor's consent:

(1) All of Franchisee's accrued monetary obligations to Franchisor or any of its Affiliates and all other outstanding obligations related to the Franchised Business (including obligations under any promissory note in favor of Franchisor or its Affiliates) must be satisfied;

(2) The transferee must attend a discovery day at Franchisor's headquarters;

(3) Franchisee, its Principals, and Remote Principals must execute a General Release effective as of the date of Transfer;

(4) The transferee must execute a General Release of any and all claims against Franchisor with respect to any representations regarding the Franchise, the business conducted pursuant thereto, or any other matter, which may have been made to the transferee by Franchisee or any of its Principals, Remote Principals, representatives, directors, officers, employees, or agents;

(5) The transferee must demonstrate to Franchisor's satisfaction that it meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Franchised Business (as may be evidenced by prior related business experience or

otherwise), has adequate financial resources and capital to operate the business and agrees to a background review. Background review must reflect that transferee has no propensity for violence, dishonesty, negligent, reckless or careless behavior and cannot reflect a felony conviction;

(6) The transferee must execute Franchisor's then-current form of franchise agreement and such ancillary agreements as Franchisor may require, for a term ending on the Expiration Date or two years from the effective date of the Transfer, whichever is later;

(7) The transferee or its Designated Representative must successfully complete, within a reasonable period of time after the closing of the Transfer but before the transferee assumes the day-to-day operation of the Franchised Business, Franchisor's initial training program for new franchisees or similar training program then in effect for HomeTeam Franchisees. Franchisor shall provide initial training program and all related materials at no cost to the transferee, but the transferee will be responsible for all transportation, lodging, meals and other expenses related to initial training program;

(8) Franchisor must approve the material terms and conditions of the Transfer, including that the price and terms of payment are not so burdensome as to adversely affect the operation of the Franchised Business by the transferee;

(9) Franchisee has provided Franchisor with an opportunity to exercise Franchisor's right of first refusal under section 12.4 of this agreement, and Franchisor has declined to exercise that right;

(10) The transferee must purchase a Start-up Package (or such components thereof as Franchisor may reasonably determine necessary) from Franchisor and pay the then-current Start-up Package Fee charged by Franchisor;

(11) All of the transferee's obligations to Franchisee must be subordinated to transferee's obligations to Franchisor (whether arising before or after the date of the Transfer), and Franchisee and the transferee must execute any and all instruments reasonably required by Franchisor to evidence the subordination;

(12) Franchisee must comply with the requirements of section 10.4 relating to the disclosure of Confidential Information to a prospective transferee; and

(13) Either Franchisee or the transferee must pay Franchisor the Transfer Fee (as defined in section 19.53) plus Franchisor's actual legal expenses, to cover the administrative, legal, and other expenses incurred by Franchisor in connection with the Transfer. Franchisee must pay any brokers' fees or commissions that arise because of the transfer. No Transfer Fee will be required if the transferee is: (i) a spouse, domestic partner, or one of its Principals; (ii) a Principal of Franchisee; or (iii) a Business Organization formed solely for the convenience of ownership or tax purposes or to limit Franchisee's liability for debts of the Franchised Business in accordance with section 12.3, if the entire Franchised Business and all of Franchisee's interest in this agreement are Transferred to the Business Organization and, immediately after the Transfer, Franchisee or one or more of the individuals listed in clause (i) of this subparagraph will beneficially own 100% of the Ownership Interests in the Business Organization.

(c) Notwithstanding the provisions of section 12.2(b), neither Franchisee, any Principal or Remote Principal, or any immediate or remote successor to any part of Franchisee's interest in the

Franchise granted under this agreement, shall pledge, mortgage, grant a security interest, or otherwise encumber any interest in this agreement, in the Franchise granted under this agreement, or in Franchisee (whether or not in connection with an absolute Transfer of an interest in the Franchised Business). Franchisor is not obliged to consent to any such Transfer.

(d) Notwithstanding any other provision of this section 12.2, neither Franchisee, any Principal or Remote Principal, or any immediate or remote successor to any part of Franchisee's interest in the Franchise granted under this agreement, shall Transfer any interest in this agreement, in the Franchise granted under this agreement, or in Franchisee to a Person that owns, operates, franchises, develops, consults with, manages, is involved in, or controls a Competitive Business. If Franchisor refuses to permit a Transfer under this paragraph, the sole remedy of Franchisee, its Principals and Remote Principals will be to have a mediator or court determine whether the proposed transferee's business is a Competitive Business.

(e) In connection with any proposed Transfer, Franchisee shall comply with any laws that apply to the Transfer, including state and federal laws governing the offer and sale of franchises. Franchisee shall indemnify and defend the Franchisor-Related Persons and hold them harmless against any and all claims arising and expenses incurred (including attorney fees) directly or indirectly from, as a result of, or in connection with any alleged failure on Franchisee's part to comply with any franchise law or other law applicable to a Transfer.

(f) In connection with any proposed Transfer, Franchisor has the right to communicate with any prospective transferee and to make available for inspection by any prospective transferee all or any part of Franchisor's records relating to this agreement, the business operations, financial condition, contracts and history of the Franchised Business under Franchisee's ownership, or the history of the relationship of the parties, without any liability to Franchisee or its Affiliates, Principals, Remote Principals, representatives, directors, officers, employees or agents. 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 therefrom.

12.3 Transfer to Controlled Entity. Franchisee may Transfer all of its interest in the Franchised Business to a Business Organization formed solely for the convenience of ownership or tax purposes, or to limit Franchisee's liability for debts of the Franchised Business, without Franchisor's consent, upon Franchisee's written notice to Franchisor and compliance with the following requirements:

(a) The transferee entity must be newly organized and its articles of incorporation or organization, bylaws, partnership agreement, or operating agreement must provide that its activities are confined exclusively to operating the Franchised Business.

(b) Franchisee shall beneficially hold a Controlling Interest in the transferee entity, shall not diminish his/her Ownership Interest therein, except as may be required by law, and shall act as its principal executive and operating officer, partner, or member.

(c) Franchisee shall provide Franchisor, on a form satisfactory to Franchisor, with written information about each Principal of the transferee entity and the Ownership Interest thereof, and shall agree to promptly notify Franchisor of any changes in any such information during the term of this agreement.

(d) The transferee entity shall designate a Designated Representative in compliance with section 7.17.

(e) Franchisee, the transferee entity, and all of its Principals shall enter into an agreement, in a form satisfactory to Franchisor, under which Franchisee assigns and the transfer entity assumes all of Franchisee's rights and obligations under this agreement.

(f) All Principals of the transferee entity must enter into a Guaranty and Assumption of Obligations, in a form satisfactory to Franchisor, unconditionally guaranteeing the full payment and performance of the transferee entity's obligations to Franchisor.

(g) Each ownership certificate of the transferee entity must have conspicuously endorsed upon its face the following legend:

> "The transfer, sale or pledge of these shares is subject to the terms and conditions of a Franchise Agreement with The HomeTeam Inspection Service, Inc."

If Franchisee is a partnership or limited liability company without certificates evidencing ownership, Franchisee shall provide Franchisor with acceptable evidence that its partnership or operating agreement or other organizational documents contain provisions acceptable to Franchisor prohibiting the Transfer of any Ownership Interest in Franchisee other than in compliance with the terms of this agreement. Franchisee shall not cause or permit any such provision to be deleted or modified during the term of this agreement.

(h) Franchisee shall furnish Franchisor for its approval copies of the transferee entity's articles of incorporation or organization, by-laws, partnership or operating agreement, and other governing documents, including the resolutions of its Principals or governing board authorizing the execution of this agreement.

(i) The name of the transferee entity may not consist of or contain any of the Marks.

(j) Franchisee shall reimburse Franchisor for actual legal costs incurred by Franchisor in approving and effectuating the Transfer.

12.4 Franchisor's Right of First Refusal. Before Franchisee may complete a Transfer, Franchisee or its Principals shall first obtain a bona fide, executed, written offer from a responsible and fully disclosed purchaser and shall submit an exact copy thereof to Franchisor. For a period of thirty days after the date of delivery of the offer to Franchisor, Franchisor will have the right, exercisable by written notice to Franchisee or any of its Principals, to purchase the rights or interests to be transferred in the offer for the same price and on the same terms and conditions contained in the offer, except that Franchisor may substitute equivalent cash for any form of payment proposed in the offer. Any purchase by Franchisor must be completed within sixty days after Franchisee's receipt of Franchisor's written notice of its intent to purchase. If Franchisor does not exercise its right of first refusal, Franchisee or its Principals may complete the Transfer to the bona fide purchaser, subject to Franchisor's approval of the purchaser as provided in section 12.2. If the sale to that purchaser is not completed within one hundred twenty days after the delivery of the offer to Franchisor, Franchisor will again have the right of first refusal herein provided.

12.5 Right of Franchisee's Heirs Upon Death, Disability or Dissolution of Franchisee. A Transfer to the heirs, surviving spouse, conservators, or personal or other legal representative of Franchisee or a Principal of Franchisee (collectively, "Involuntary Transferees") upon the death, dissolution or legal disability of Franchisee or its Principal, shall not be subject to Franchisor's right of first refusal under section 12.4 or right to terminate for failure to obtain written approval under section 12.2(a), so long as the Involuntary Transferees (i) satisfy Franchisor that they are qualified to act as Franchisee pursuant to section 12.2(b)(5) herein or retain an individual or entity to operate and manage the Franchised Business who is so qualified and who is approved in writing by Franchisor, and (ii) perform all other applicable acts required under

section 12.2 herein. The Transfer must be made within one hundred eighty days after the death, disability, or dissolution of Franchisee or Franchisee's Principal, as the case may be. Any subsequent Transfer by any Involuntary Transferees will be subject to Franchisor's right of written approval under section 12.2 and to Franchisor's right of first refusal under section 12.4. A Transfer to Involuntary Transferees does not require the payment of the Transfer Fee required by section 12.2(b)(10), but Franchisee shall pay any legal costs incurred by Franchisor to approve and effectuating the Transfer.

12.6 Franchisor's Disclosure to Transferee. Franchisor has the right, without any liability to Franchisee, to 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. 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 the Franchised Business by an intended transferee identified by Franchisee.

ARTICLE 13

TERMINATION

13.1 Termination Without Opportunity to Cure. Franchisor may terminate this agreement upon notice to Franchisee, with immediate effect and without opportunity to cure, upon the occurrence of any of the following events:

(a) Franchisee or the Designated Representative fails to complete the initial training program described in section 7.1 to Franchisor's satisfaction within six months after the Effective Date;

(b) Franchisee fails to open the Franchised Business within six months after the Effective Date (or, with Franchisor's prior written approval, such longer period as required to comply with governmental licensing requirements);

(c) after opening the Franchised Business, Franchisee abandons it or otherwise fails to maintain it in continuous operation;

(d) Franchisee is declared bankrupt or insolvent or Franchisee is the debtor in a voluntary or involuntary bankruptcy proceeding under the U.S. Bankruptcy Code;

(e) a receiver is appointed for Franchisee or for any part of its property, or Franchisee makes any assignment for the benefit its creditors, if not dismissed within fifteen days;

(f) after Franchisee's receipt of a notice of noncompliance (regardless of the source of the notice) applicable to the Franchised Business, Franchisee fails, within the time limit stated in the notice (or, if no time limit is stated or referred to in the notice, within thirty days), to comply with any federal, state or local law or regulation applicable to the operation of the Franchised Business, unless Franchisee in good faith and with due diligence disputes the allegation of noncompliance;

(g) any Transfer or attempted Transfer that fails to comply with the provisions of Article 12;

(h) Franchisee maintains false books or records or submits any false report, record or document to Franchisor, knowing the same to be false;

(i) the Franchised Business or Franchise Premises are seized, taken over, or foreclosed by a government official in the exercise of his duties or by a creditor, lienholder or lessor of Franchisee;

(j) a final judgment against Franchisee remains unsatisfied for thirty days (unless a supersedeas or other appeal bond has been filed);

(k) a levy of execution has been made upon the license granted by this agreement or upon any property used in the Franchised Business, which is not discharged within fifteen days;

(l) a material misrepresentation or omission by Franchisee or Principal relating to the acquisition of its Franchise including those relating to prior criminal convictions;

(m) any conduct or activity by Franchisee or any Principal, Remote Principal, representative, director, or officer of Franchisee, that is reasonably likely to have an adverse effect or reflect unfavorably on the Franchised Business, Franchisor, the System, the Marks, or the goodwill associated therewith, including a felony conviction of Franchisee or any Principal, Remote Principal, representative, director or officer of Franchisee;

(n) within the same one-year period, Franchisee breaches any term of this agreement after having breached the same term three times (provided that Franchisee was given notice of the first three breaches and an opportunity to cure as required herein);

(o) Franchisee breaches section 15.1 after having breached that section (though not necessarily the same subsection thereof) twice at any time (provided that Franchisee was given notice of the first two breaches and an opportunity to cure as required herein); or

(p) Franchisor reasonably determines that the continued operation of the Franchised Business by Franchisee will result in immediate danger to public health or safety.

13.2 Termination With Opportunity to Cure. This agreement will automatically terminate thirty days (or such longer period as may be required by applicable law) after Franchisee's receipt of written notice of any of the following events of default, unless Franchisee cures the default within the thirty-day period (or such longer period as may be required by applicable law):

(a) Franchisee fails to pay when due any sum it is required to pay under this agreement or any other agreement or instrument between Franchisee and any Franchisor-Related Person;

(b) Franchisee fails to furnish when due any report required by this agreement;

(c) Franchisee fails to attain the Minimum Annual Gross Sales quotas required by section 7.7 (unless the parties mutually agree on a reduction of the size of the Territory in lieu of termination);

(d) Franchisee fails to operate its Franchise in compliance with the terms of this agreement, the Manual, or the System Standards;

(e) Franchisee breaches or fails to perform any provision of this agreement not otherwise described in section 13.1, or breaches or fails to perform any provision of any other agreement between Franchisee and any Franchisor-Related Person; or

(f) Franchisee understates its Gross Sales in any report submitted to Franchisor.

13.3 Failure to Cure Default. If Franchisee fails to cure any default within the applicable time period stated in section 13.2, Franchisee shall indemnify Franchisor for all damages, costs and expenses incurred by Franchisor as a result of Franchisee's default, including reasonable attorney and accounting fees. This paragraph applies regardless of whether or not Franchisor exercises its right to terminate this agreement. Termination of this agreement by Franchisor in accordance with this Article 13 does not prejudice any

other legal or equitable rights or remedies Franchisor may have. This paragraph will survive the expiration, termination or cancellation of this agreement.

ARTICLE 14

OBLIGATIONS UPON TERMINATION

14.1 Upon the termination or expiration of this agreement, for any reason, Franchisee shall take the following actions:

(a) Franchisee shall immediately and permanently cease to operate the Franchised Business and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former HomeTeam Franchisee.

(b) Franchisee shall immediately and permanently cease all use of the Marks and any derivative or confusingly similar variation thereof.

(c) Franchisee shall immediately and permanently cease to use, by advertising or in any manner whatsoever, any equipment, materials, confidential methods, procedures, or techniques associated with the System or which display the Marks or any other distinctive forms, slogans, signs, symbols, or devices associated with or belonging to Franchisor. Without limiting the generality of the preceding sentence, Franchisee's obligations under this paragraph include (i) permanently discontinuing all Internet advertising, including, but not limited to, Facebook, LinkedIn, Twitter, Google, and pay-per-click programs, containing any of the Marks or any derivative or confusingly similar variation thereof, and (ii) permanently removing or obscuring from the exterior of all motor vehicles belonging to Franchisee or used in the operation of the Franchised Business, the Trade Name, the Marks, and all telephone numbers used in connection with the Franchised Business.

(d) Franchisee shall make such modifications or alterations to the Franchise Premises (including changing all telephone numbers), including the improvements thereon, as may be necessary or requested by Franchisor to prevent the operation of any business on the Franchise Premises that might be deemed substantially similar to that of Franchisor or any other HomeTeam Franchisee. If Franchisee fails or refuses to comply with the requirements of this section, Franchisor has the right to enter the Franchise Premises, without being guilty of trespass or any other tort or crime, for the purposes of making or causing to be made such changes as may be required at the expense of Franchisee (this sentence does not apply if the Franchise Premises is located in Franchisee's residence).

(e) Franchisee shall promptly turn over to Franchisor, at Franchisee's expense, all sales literature, brochures, mailers, advertisements, commercials and promotional materials bearing any of the Marks, and complete, accurate and legible copies of all customer lists, records, correspondence and agreements, and all financial and other business records relating to the Franchised Business, in the same medium as the information was stored by Franchisee.

(f) Franchisee shall promptly return to Franchisor, at Franchisee's expense, all training and operating Manuals, computer disks, policies, procedures, bulletins, memoranda, notices and instructions provided to Franchisee by Franchisor under Articles 6 and 9 or otherwise relating to the Franchised Business (all of which Franchisee acknowledges to be Franchisor's sole property), together with all copies thereof.

(g) Franchisee shall promptly remove shortcuts, bookmarks, downloaded data, cached data and any information pertaining to all software used for the Franchised Business from all computers

and delete all data relating to the Franchised Business from all electronic devices including, but not limited to servers, computers, tablets and smart phones (whether or not owned by Franchisee and including computers owned by Principals, Remote Principals, officers, representatives, directors, employees, and relatives of Franchisee or any of the foregoing persons) and return to Franchisor the original disks for all customized proprietary software.

(h) At Franchisor's option, Franchisee shall assign to Franchisor, all of Franchisee's right, title and interest in and to all (i) telephone numbers used for the Franchised Business or otherwise listed under the Trade Name or any of the Marks, and all related business listings, and (ii) Websites, web pages, listings, banners, URLs, advertisements or any other services and links related to the Franchised Business or use of the Marks on or with the Internet, Internet service providers, electronic mail services, communication providers, social media sites, search engines or other similar services.

(i) Franchisee shall immediately pay all sums due and owing to Franchisor, whether pursuant to this agreement or otherwise, including any unpaid Branding Contributions and Royalties.

(j) Franchisee shall promptly take such action as may be necessary to cancel any fictitious or assumed name or equivalent registration that contains the Trade Name or any of the other Marks, and furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty days after the termination or expiration of this agreement.

(k) Franchisee shall obtain, and maintain in effect, tail coverage for the errors and omissions insurance and general liability insurance required by section 7.11, to extend the period in which claims may be asserted for a period of time not less than the applicable statute of limitations in the jurisdiction in which the Franchised Business is located, or for two years, whichever is less, and furnish Franchisor with a certificate of insurance evidencing compliance with this obligation within thirty days after the termination or expiration of this agreement and at least thirty days before each renewal date thereafter.

14.2 Franchisee does hereby irrevocably constitute and appoint Franchisor as the true and lawful agent and attorney-in-fact, coupled with an interest, for Franchisee to carry out Franchisee's obligations under this Article 14. Franchisee agrees to promptly execute, acknowledge and deliver to Franchisor any and all such documents as may be required to carry out Franchisee's obligations hereunder. The provisions of this Article 14 will survive the expiration, termination or cancellation of this agreement.

ARTICLE 15

RESTRICTIVE COVENANTS

15.1 Franchisee's Covenants During Term of Franchise Agreement. Franchisee specifically acknowledges that, pursuant to this agreement, Franchisee will receive valuable specialized training and Confidential Information, including information regarding the design, development and operation of the Franchised Business, and the sales, promotional, and marketing methods and techniques of Franchisor and the System. Accordingly, during the term of this Agreement, Franchisee shall not, either directly or indirectly, for itself or through, on behalf of, or in conjunction with, any Person (including the spouse or children of Franchisee or any Principal or Remote Principal):

(a) divert or attempt to divert any business or customer of the Franchised Business or of any other HomeTeam Franchisee to any Competitive Business, as defined in section 19.8, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System;

(b) own, maintain, engage in, or have any interest in any Competitive Business regardless of location;

(c) except as specifically permitted in Article 1, advertise or conduct promotional activities or offer, sell, or provide any Authorized Products or Services at site located within a franchise territory licensed to another HomeTeam Franchisee, or otherwise infringe upon rights granted under franchise agreements with other HomeTeam Franchisees; or

(d) aid, assist, or provide goods or services to any Competitive Business.

15.2 Post-Termination Noncompetition. Franchisee shall not, for a continuous and uninterrupted period commencing upon the expiration or termination of this agreement (regardless of the cause for termination) and continuing for TWO YEARS thereafter, directly or indirectly, for itself or through, on behalf of, or in conjunction with any Person (including the spouse or children of Franchisee or any Principal or Remote Principal), own, maintain, operate, engage in, or have any interest in, any Competitive Business that is located or operates within the geographical boundaries of the Territory or within a twenty-five (25) mile radius of the territory of any other HomeTeam Franchise. This covenant will survive the expiration, termination or cancellation of this agreement. The time period referred to in this section will be stayed during any violation or breach of the terms of this section.

15.3 Post-Termination Nonsolicitation. For a continuous and uninterrupted period commencing upon the expiration or termination of this agreement (regardless of the cause for termination) and continuing for TWO YEARS thereafter, Franchisee shall not, directly or indirectly, for itself or through, on behalf of, or in conjunction with any Person (including the spouse or children of Franchisee or any Principal or Remote Principal), (i) solicit, contact, or otherwise communicate with any person who was a client of the Franchised Business at any time, for the purpose of promoting, advertising, or offering Authorized Products and Services or other products or services that had been offered by the Franchised Business, or (ii) contact or communicate with any Referral Source that has an office located anywhere in the Territory or within twenty-five miles of the geographical boundaries of the Territory, for the purpose of promoting or soliciting referrals for any business or services that had been offered by the Franchised Business. The time period referred to in this section will be stayed during any violation or breach of the terms of this section. The provisions of this section will survive the expiration, termination or cancellation of this agreement.

15.4 Exception for Publicly Traded Company. Section 15.2 does not apply to the beneficial ownership of less than 1% of the outstanding equity securities of any Business Organization that is registered under the Securities and Exchange Act of 1934.

15.5 Covenants Independent and Severable. Each of the covenants in sections 15.1 through 15.3 is to be construed as independent of any other provision of this agreement. If all or any portion of a covenant in this Article 15 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenants subsumed within the terms of the unreasonable or unenforceable covenant that imposes the maximum duty permitted by law, as if the resulting covenants were separately stated in and made a part of this Article 15.

15.6 Reduction of Covenants by Franchisor. Franchisor has the right, in its Business Judgment, to reduce the scope of any covenant in this Article 15, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of section 18.3 hereof.

15.7 Claims Against Franchisor No Defense. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this agreement, will not constitute a defense to the enforcement by Franchisor of the covenants in this Article 15.

15.8 Injunctive Relief. Franchisee acknowledges that Franchisee's violation of the terms of this Article 15 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available; and Franchisee accordingly consents to the issuance of, and agrees to pay all court costs and reasonable legal expenses incurred by Franchisor in obtaining, an injunction prohibiting any conduct by Franchisee in violation of the terms of this Article 15.

15.9 Nondisclosure and Noncompetition Agreements. At the request of Franchisor, Franchisee shall provide Franchisor with an executed "Nondisclosure and Noncompetition Agreement" containing covenants similar in substance to those in this Article 15 (including covenants applicable upon the termination of a Person's relationship with Franchisee), from each of the Principals, officers, and directors of Franchisee and the Principals, officers, and directors of any non-individual Principal of Franchisee. With respect to each Person who becomes associated with Franchisee in one of those capacities after the Effective Date, Franchisee shall require and obtain a Nondisclosure and Noncompetition Agreement from them and promptly provide Franchisor with an executed copy thereof. Franchisee shall not grant any Person holding any of the foregoing positions access to any confidential aspect of the System or the Franchised Business before they execute a Nondisclosure and Noncompetition Agreement. All Nondisclosure and Noncompetition Agreements required by this section must be in form satisfactory to Franchisor, including the specific identification of Franchisor as a third-party beneficiary with the independent right to enforce it. Franchisee's failure to obtain the execution of any Nondisclosure and Noncompetition Agreement required by this section and provide them to Franchisor will be a material breach of this agreement.

ARTICLE 16

DISPUTE RESOLUTION

16.1 Injunctive Relief. Notwithstanding any provision of this agreement to the contrary, Franchisor expressly reserves the right, without first complying with the mandatory mediation provisions of section 16.2, to seek temporary and permanent injunctions and orders of specific performance from a court of competent jurisdiction to enforce the provisions of this agreement relating to (a) Franchisee's use of the Marks; (b) Franchisee's obligations upon the termination or expiration of this agreement; (c) Franchisee's obligations under Article 15; (d) a Transfer or attempted Transfer in violation of Article 12; or (e) as necessary to prohibit any act or omission by Franchisee or its agents (i) that would constitute a violation of any applicable law, ordinance, or regulation, (ii) that is dishonest or misleading to Franchisor, another HomeTeam Franchisee, or a customer of Franchisee, or (iii) that may harm, tarnish, or impair Franchisor's reputation, name, services or Marks.

16.2 Mediation. Except as provided in section 16.1, if a dispute arises between the parties, and if the dispute cannot be settled through negotiation, the parties shall first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to litigation, or other dispute resolution procedure. The mediation proceedings will take place at the American Arbitration Association location nearest Franchisor's principal place of business (presently Milford, Ohio).

16.3 **WAIVER OF JURY TRIAL. EACH PARTY IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY.**

16.4 **PUNITIVE DAMAGES. FRANCHISEE AGREES TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR CLAIM OF ANY MULTIPLE, PUNITIVE, OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT.**

16.5 Governing Law. This agreement was accepted and executed by Franchisor in Ohio. The laws of the State of Ohio (excluding Franchise Laws as defined in section 19.17, unless the jurisdictional requirements thereof are met independently without reference to this section) govern all aspects of this agreement, without reference to Ohio conflict of laws principles, except (i) to the extent governed by the U.S. Trademark Act of 1946 and other applicable federal laws, and (ii) if any provision of this agreement would be unenforceable under Ohio law but enforceable under the laws of the state in which Franchisee resides, then the laws of the state in which Franchisee resides will govern that provision. Ohio law will prevail in the event of any conflict of laws, except as specifically provided otherwise by applicable Franchise Laws of other states. If any provision of this agreement relating to the termination, non-renewal, or assignment of the franchise, or to choice of law, jurisdiction, or venue, is inconsistent with any applicable Franchise Law of another state, then the applicable Franchise Law of the other state will govern. Any addendum to this agreement required by a regulatory authority or agency of another state for the purpose of disclosing or effecting salient provisions of that state's Franchise Laws is hereby made a part hereof.

16.6 Jurisdiction and Venue. All suits, actions or other proceedings between Franchisee and any of the Franchisor-Related Persons must be litigated only in the county or federal judicial district in which Franchisor's principal place of business is located (presently Clermont County, Ohio, and the Southern District of Ohio, Western Division). Franchisee consents and agrees that the following courts have personal jurisdiction over Franchisee in all lawsuits with any of the Franchisor-Related Persons, and hereby submits to the jurisdiction of the following courts and irrevocably waives any defense Franchisee may have of lack of personal jurisdiction in any lawsuit filed in these courts: (a) all courts included within the state court system of the State of Ohio; and (b) all courts of the United States of America sitting within the State of Ohio, including all United States District Courts within the State of Ohio. Franchisee consents and agrees that venue is proper in any of the following courts in all lawsuits between Franchisee and any of the Franchisor-Related Persons, and hereby irrevocably waives any right Franchisee may have to transfer or change the venue in any such lawsuits filed in these courts: (a) the state court of the county where Franchisor has its principal place of business (presently Clermont County, Ohio); and (b) the United States District Court for the Southern District of Ohio, Western Division. Any lawsuit filed by Franchisee against any of the Franchisor-Related Persons, or by any of the Franchisor-Related Persons against Franchisee, must be filed exclusively in one of these courts, except that any claim for injunctive relief may be brought by Franchisor where Franchisee is located, in which proceeding Franchisor may also assert any other mandatory or permissible claim it may have against Franchisee. This exclusive choice of jurisdiction and venue provisions does not restrict the ability of the parties to confirm or enforce awards in any appropriate jurisdiction or the full faith and credit of any judgment obtained. In all lawsuits between Franchisee and any of the Franchisor-Related Persons, Franchisee may be served with process outside the State of Ohio in the same manner that service may be made within the State of Ohio by any person authorized to make service by the laws of the state, territory, possession or country in which service is made, or by any duly qualified attorney in that jurisdiction. Franchisee hereby waives any defense it may have of insufficiency of service of process if service is made as provided in this paragraph. This method of service is not exclusive, and service of process may be made by any other method allowed by law.

16.7 Cost of Enforcement or Defense. If a claim for amounts owed by Franchisee or its Affiliate to Franchisor or its Affiliate is asserted in any judicial proceeding or appeal thereof, or if Franchisor is required to enforce this agreement in a judicial proceeding or appeal thereof, Franchisor will be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal expenses,

administrative charges, and any other costs and expenses, whether incurred before, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing, or proceeding to enforce the obligations of this agreement. If Franchisor incurs expenses (including attorney's and accounting fees) in connection with Franchisee's failure to pay when due amounts owing to Franchisor, to submit when due any reports, information, or supporting records or otherwise to comply with this agreement, Franchisee shall reimburse Franchisor for any such costs and expenses that it incurs.

16.8 Mediation of Disputes Between Franchisees. In the event of a dispute between Franchisee and another HomeTeam Franchisee relating to or arising from (i) the violation by Franchisee of any restriction or covenant in section 1.3 or Article 15, or (ii) the violation by the other HomeTeam Franchisee of a parallel covenant contained in its agreement with Franchisor, then Franchisee shall first attempt in good faith to settle the dispute by confidential, non-binding mediation before a mediator referred by Franchise Arbitration and Mediation Services ("FAM") (or any other organization upon which the parties mutually agree) and selected by the parties, in accordance with FAM's Mediation Referral Guidelines (or the procedures of such other organization), at a location to be selected by the mediator, before resorting to litigation, or any other dispute resolution procedure (other than direct negotiation by the parties or their representatives). Franchisee shall pay all costs of mediation, unless the other HomeTeam Franchisee's franchise agreement contains a clause similar to this section, in which case the parties shall equally share the costs of mediation. Franchisor may, at its option, be a party to the mediation, but will not be obligated to pay any of the costs.

16.9 Limitation of Action. Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

(a) Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

(b) Notwithstanding anything to the contrary contained herein, all actions shall be conducted on an individual, not a class-wide basis, and any proceeding between Franchisee, Franchisee's guarantors, and Franchisor or its affiliates or employees may not be consolidated with any other proceeding between Franchisor and any other person or entity.

ARTICLE 17

INDEPENDENT CONTRACTOR; INDEMNIFICATION

This agreement does not create a fiduciary relationship between the parties. The parties are independent contractors, and nothing in this agreement is intended to create a partnership, joint venture, employment, or agency relationship between Franchisor and Franchisee for any purpose, or to authorize Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf or to incur any debt or other obligation in Franchisor's name. Franchisor will in no event assume liability for, or be deemed liable

hereunder as a result of, any such action by Franchisee. Franchisor is not liable to any third party for any act or omission of Franchisee (including any claim or action against Franchisee for negligent hiring, sexual harassment, or employment discrimination) or any claim or judgment arising therefor against Franchisee. Franchisee shall indemnify, defend, and reimburse the Franchisor-Related Persons and hold each of them harmless from and against any and all claims, debts, liabilities or obligations arising directly or indirectly from, as a result of or in connection with Franchisee's operation of the Franchised Business (excluding, however, claims arising from (i) Franchisee's proper reliance on or use of procedures or materials provided by Franchisor, or (ii) Franchisor's negligence), and shall pay all costs (including attorney and accounting fees) incurred by the Franchisor-Related Persons in defending against and/or responding to them. Franchisor has the right to defend any such claim against Franchisor in any manner Franchisor chooses in its Business Judgment. This indemnity will continue in full force and effect after the expiration or termination of this agreement. **FRANCHISEE SHALL DISPLAY PROMINENTLY AT THE FRANCHISE PREMISES, ON ALL SERVICE VEHICLES, ON ALL CORRESPONDENCE WITH THIRD PARTIES, AND IN ANY PRINTED MATERIALS BEARING ITS NAME OR BUSINESS LOCATION, A STATEMENT THAT THE FRANCHISED BUSINESS IS INDEPENDENTLY OWNED AND OPERATED BY FRANCHISEE.** Nothing in this agreement permits or authorizes Franchisor to direct, limit, or otherwise control Franchisee's professional judgment or the professional judgment of Franchisee's employees who provide professional services at, from or through the Franchised Business. Franchisee and HomeTeam are not and do not intend to be partners, associates, or joint employers in any way and HomeTeam shall not be construed to be jointly liable for any acts or omissions of Franchisee under any circumstances.

ARTICLE 18

GENERAL TERMS

18.1 Integration. This agreement, together with its exhibits, constitutes the entire agreement between the parties relating to the subject matter hereof, and any prior agreements and understandings between the parties relating to the same subject are hereby superseded and merged into this agreement. Nothing in this agreement or in any related agreement is intended to disclaim the representations that the franchisor made in the franchise disclosure document that we furnished to Franchisee, or in any exhibit or amendment thereto.

18.2 Express Agreement. The parties acknowledge that their business relationship is based solely upon this agreement and agree that it should be enforced according to its express provisions. The language of this agreement is to be construed according to its plain meaning and not strictly against a party because it drafted this agreement. Neither party intends or expects that either party's rights and obligations in this agreement will be defined or determined to be other than as expressly written, or that additional obligations will be imposed on either party that it has not expressly assumed in writing. It would be contrary to the parties' intentions and expectations to impose any doctrine, rule of interpretation, or implied covenant, such as an "implied covenant of good faith and fair dealing."

18.3 Modification. This agreement may be modified or amended only by a written instrument signed by each of the parties.

18.4 Binding Effect; Assignment. This agreement is binding upon and inures to the benefit of the parties and their respective legal representatives, heirs, successors, and assigns, except that Franchisee may not assign any of its rights or interest in this agreement without first complying with the provisions of section 12.2.

18.5 Section Headings and Numbers. The headings in this agreement are for reference purposes only and do not affect the meaning or interpretation of any provision of this agreement. All references to section and article numbers mean section and article numbers of this agreement unless another document is specified.

18.6 Notices. All payments must be made to the addresses listed below. All notices, requests, demands and other communications required or permitted under this agreement must be in writing, addressed as provided in this section 18.6, made by personal delivery, or by certified mail, postage prepaid, return receipt requested, or by ordinary mail, postage prepaid, or by overnight delivery service with proof of delivery, and will be effective upon actual receipt or refusal thereof or, if by ordinary mail, forty-eight hours after deposit in the United States mail, postage prepaid.

(a) If to Franchisor:

The HomeTeam Inspection Service, Inc.
575 Chamber Drive
Milford, Ohio 45150

or to such other Person or address as Franchisor may from time to time furnish to Franchisee;

(b) If to Franchisee:

_____

_____

_____

or to such other Person or address as Franchisee may from time to time furnish to Franchisor.

18.7 Severability.

(a) If any provision of this agreement, in whole or in part (or the application of any provision to a specific situation), is held, by the final judgment of a court of competent jurisdiction after appeal or the time for appeal has expired, to be invalid, unenforceable or in violation of any federal, state or local law, regulation or ordinance applicable to this agreement, the invalidity is to be limited to the specific provision in question or portion thereof (or to the situation in question), and this agreement is to be construed and applied in such manner as to minimize the invalidity. All other provisions of this agreement will otherwise remain in full force and effect.

(b) If any applicable and binding law or regulation of any jurisdiction requires a greater prior notice of the termination of this agreement or refusal to grant a Renewal Franchise than is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or regulation of any jurisdiction any provision of this agreement or any specification, standard, or operating procedure prescribed by Franchisor is invalid or unenforceable, then the prior notice and/or other action required by such law or regulation shall be substituted for the comparable provisions hereof, and Franchisor has the unlimited right to modify the invalid or unenforceable provision, specification, standard, or operating procedure to the extent required to be valid and enforceable. Franchisor shall be bound by any promise or covenant imposing the maximum duty permitted by law that is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this agreement, that may result from striking from any of the provisions hereof, or from any specification, standard, or

operating procedure prescribed by Franchisor, any portion or portions that 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. Any such modifications to this agreement will be effective only in such jurisdiction, unless Franchisor elects to give them greater applicability, and are to be enforced as originally made and entered into in all other jurisdictions.

18.8 No Waiver. No failure of one party to exercise any power reserved to it under this agreement, or to insist upon strict compliance by the other party with any provision of this agreement, and no custom or practice of the parties in variance with the terms of this agreement, constitutes a waiver of a party's right to demand exact compliance with the terms of this agreement. A waiver by one party of any particular default by the other party is not binding unless in writing and executed by the party sought to be charged, and does not affect or impair the non-defaulting party's right with respect to any subsequent default of the same or of a different nature; nor does any delay, waiver, forbearance, or omission of one party to exercise any power or right arising out of any breach or default by the other party of any provision of this agreement, affect or impair the non-defaulting party's rights, nor shall such constitute a waiver by the non-defaulting party of any right under this agreement or of the right to declare any subsequent breach or default. Subsequent acceptance by Franchisor of any payment(s) due under this agreement will not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any provision of this agreement.

18.9 Counterparts. This agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

18.10 Survival of Post-Termination Provisions. All Post-Termination Provisions of this agreement will survive the termination or expiration of this agreement or the Franchise granted under this agreement, regardless of whether the provisions specifically state so.

18.11 No Third-Party Beneficiaries. Except as may be specifically provided otherwise in and with respect to specific provisions of this agreement, nothing in this agreement is intended or will be deemed to confer any rights or remedies upon any Person not a party hereto.

18.12 Interpretation. If there is an inconsistency between the terms of this agreement and the Manual, the terms of this agreement will control. Throughout this agreement, the singular includes the plural and vice versa, and the masculine includes the feminine or neuter and vice versa, wherever and whenever the context may require. The word "including" will be construed to include the words "without limitation."

18.13 Exercise of Business Judgment. In this agreement, the phrases "sole and absolute discretion," "sole discretion" and "Business Judgment" (as defined in section 19.4) mean that Franchisor has the wholly unrestricted right to make decisions and take (or refrain from taking) actions. In exercising its discretion, Franchisor will use its judgment based on its assessment of the interests it considers appropriate and is not required to consider Franchisee's individual interests or the interests of any other HomeTeam Franchisee. Franchisor, Franchisee, and all other HomeTeam Franchisees have a collective interest in working within a franchise system with the flexibility to adjust to changing business conditions, including the competitive environment, regulatory developments, and emerging business opportunities. Therefore, the ultimate decision-making responsibility for the System must be vested in Franchisor. So long as Franchisor acts in compliance with the requirements of this agreement, it has no liability for the exercise of its discretion in accordance with the provisions of this agreement.

18.14 Representations of Franchisee. **Franchisee makes the following representations:**

(a) Franchisee has received Franchisor's franchise disclosure document and exhibits thereto (including a list of HomeTeam Franchisees, Franchisor's financial statements for its last fiscal year, and a copy of this agreement) at least fourteen days before the execution of any agreement or payment of any money relating to the Franchise.

(b) Other than disclosures made in Franchisor's franchise disclosure document received by Franchisee, no agent, salesperson, director, officer, or employee of Franchisor, or any other individual on Franchisor's behalf, has made any representations, warranties, inducements, claims, pro formas, forecasts, estimates, or any other statement regarding net or gross profits, net or gross sales, costs, or expenses of HomeTeam Franchises generally or of any specific HomeTeam Franchise.

(c) In connection with its decision to purchase a HomeTeam Franchise and enter into this agreement, Franchisee has not relied upon any representation, warranty, inducement, claim, pro forma, forecast, estimate, or any other statement made by Franchisor, its agents, directors, officers, employees, or salesmen, or any other individual on behalf of Franchisor regarding financing, net or gross profits, net or gross sales, costs, or expenses of HomeTeam Franchisor's generally or of any specific HomeTeam Franchise, or any other material fact relating to the development of HomeTeam Franchises in the area in which Franchisee intends to locate its Franchise, or any other matter pertaining to Franchisor, other than disclosures made in Franchisor's franchise disclosure document received by Franchisee.

(d) At the time Franchisee signs this agreement, there is no other written or unwritten agreement, representation, understanding, proviso, or warranty made by Franchisor or any Person associated with Franchisor, other than those contained in either this agreement, an addendum hereto, or Franchisor's franchise disclosure document received by Franchisee.

Franchisee specifically understands that Franchisor is relying upon the truthfulness and accuracy of the representations in subparagraphs (a) through (d) above, and understands that Franchisor would not enter into this agreement with Franchisee if Franchisor was aware that any of the representations are false, inaccurate, or incomplete.

_____ Initials of Franchisee or individual signing on behalf of Franchisee

(e) Franchisee understands that Franchisor's salesmen are not authorized to bind Franchisor in any way, and that any agreement between Franchisor and Franchisee must be signed by an authorized officer of Franchisor.

(f) Franchisee understands that all or any part of the Territory previously may have been part of the franchise territory of another HomeTeam Franchisee.

ARTICLE 19

DEFINITIONS

To simplify this agreement and make it easier to read and understand, certain terms have been defined below and will be capitalized throughout the agreement. Capitalized words that are not defined below are defined in the section where they first appear.

19.1. "Affiliate" means a Person that controls, is controlled by, or is under common control with another Person. As to Franchisee, it includes an owner of any interest in Franchisee or the Franchised Business, any employee or agent of Franchisee, and any Person controlled by any of the foregoing.

19.2. "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001" (the "USA PATRIOT Act"), and all other present and future federal, state and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority (including the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

19.3. "Authorized Products and Services" are those products and services that Franchisee is permitted and required to offer and provide (currently including residential and commercial building inspection services), as more specifically described in the Manual.

19.4. "Business Judgment" means that Franchisor is allowed to exercise its judgment however it considers to be appropriate in its sole and unfettered discretion (except that it may not do so arbitrarily), and has the unrestricted right to make decisions and take or refrain from taking actions (except that it may not do so arbitrarily), and has the right to do so even if a particular decision/action may have negative consequences for Franchisee, another HomeTeam Franchisee, or a group of HomeTeam Franchisees. The exercise of Business Judgment is critical to Franchisor's role as the franchisor of the System and to Franchisor's goals for the continuing improvement of the System. This definition is not intended to incorporate principles related to the application of the business judgment rule in a corporate law context.

19.5. "Business Organization" means a corporation, limited liability company, limited liability partnership, limited company, partnership of any kind, joint venture, unincorporated association, or other organization formed for a commercial purpose.

19.6. "Call Center Service Agreement" means the agreement, which may be modified from time to time by Franchisor in its Business Judgment, which Franchisee must execute to receive services from the Call Center.

19.7. "Communication and Information System" means the computer and communications system described in section 7.18 that Franchisee is required to purchase and use in the operation of the Franchised Business.

19.8. "Competitive Business" means a business that offers or sells, or franchises or licenses others to operate a business that offers or sells, building inspection services or any other products or services similar to those offered as part of the System or in which Confidential Information could be used to the

disadvantage of Franchisor, its Affiliates, or other HomeTeam Franchises, or that is competitive with the services or products offered by HomeTeam Franchises.

19.9. "Confidential Information" is defined in section 10.1.

19.10. "Controlling Interest" means the direct or indirect ownership (legal or beneficial) or control of more than 50% of the equity, profits, or voting control of a Business Organization.

19.11. "Designated Representative" means an individual manager of Franchisee designated by Franchisee in accordance with section 7.17, who will be responsible for the general oversight and management of the operations of the Franchised Business on behalf of Franchisee.

19.12. "Effective Date" means the date this agreement becomes effective as defined on the signature page.

19.13. "Expiration Date" means the day before the tenth anniversary of the Effective Date, and is the last day of the term of this agreement.

19.14. "Franchised Business" means the HomeTeam Franchise that Franchisee is licensed to operate under this agreement.

19.15. "Franchisee" means, in addition to the Person or Persons identified as "Franchisee" on Exhibit A, all Principals and Remote Principals of a Business Organization that executes this agreement as Franchisee, and all Persons who succeed to the interest of the original Franchisee by permitted transfer or operation of law. By signing this agreement, each of the Principals and Remote Principals of the Business Organization that executes this agreement as Franchisee, acknowledges and accepts the duties and obligations imposed upon each of them, individually, by this agreement. All Principals and Remote Principals of Franchisee must, by separate agreement, personally guarantee all of Franchisee's obligations to Franchisor. If two or more individuals are the "Franchisee" under this agreement, their liability to Franchisor is joint and several.

19.16. "Franchisee Online Portal" is the electronic system established and maintained by Franchisor or its designee to provide private and secure communications between Franchisor, Franchisee, other HomeTeam Franchisees, and other authorized users as determined by Franchisor in its Business Judgment

19.17. "Franchise Law" means a statute, regulation, or rule that (i) regulates the sale of franchises, franchise investments, or business opportunities; (ii) regulates the relationship between a franchisor and a franchisee or between a business opportunity seller and purchaser; or (iii) requires the delivery, filing, or registration of a pre-sale franchise or business opportunity disclosure document.

19.18. "Franchise Premises" means the physical location from which the Franchised Business is operated.

19.19. "Franchisor-Related Persons" means Franchisor and each and all of the following, whether past, current, or future: Persons acting through, in concert with, or as Affiliates of Franchisor or of any of the foregoing; Principals, officers, representatives, directors, agents, attorneys, accountants, and employees of Franchisor or any of the foregoing; and predecessors, successors, or assigns of Franchisor or any of the foregoing.

19.20. "General Release" is a release, in the form prescribed by Franchisor at the time the release is to be delivered, of any and all claims, liabilities and obligations of any nature, including those existing as of, and/or arising before, the date of the release, however arising, whether known or unknown, whether against Franchisor and/or any or all of the Franchisor-Related Persons, the Branding Fund (as defined in section 11.2), or any other branding, marketing, or advertising fund, and whether by Franchisee, any

Principal or Remote Principal of Franchisee, and/or any Affiliate of any of the foregoing. A copy of Franchisor's current General Release language (which is subject to change) is attached as Exhibit D.

19.21. "Good Standing" means that Franchisee and each of its Principals and Affiliates are not in default of any obligation to Franchisor and/or any of the Franchisor-Related Persons, whether arising under this agreement or any other agreement between Franchisee (and/or each of its Principals and Affiliates) and Franchisor (and/or any of the Franchisor-Related Persons), under the Manual, or under other System Standards (collectively, the "Obligations"). Franchisee is not in Good Standing if Franchisee has been in default of any Obligation and the default is incurable by nature or part of a series of repeated defaults as defined in this agreement.

19.22. "Gross Sales" is defined in section 5.9.

19.23. "HomeTeam Franchise" or "Franchise" is a business operated under a license granted by Franchisor that offers building inspection services or other goods and/or services that Franchisor may designate from time to time, using the Marks (HOMETEAM) and Franchisor's unique business format, which includes distinctive standards, methods, procedures, and specifications developed by Franchisor for the promotion and provision of services, distinctive advertising, specially-designed business forms for efficient business operation, operating manuals, and training courses, all of which may be supplemented, modified, or withdrawn by Franchisor from time to time.

19.24. "HomeTeam Franchisee" is a Person who owns and operates a HomeTeam Franchise.

19.25. "Initial Franchise Fee" means the one-time fee Franchisee is required to pay Franchisor under section 4.1.

19.26. "In-Person Promotional Activity" means any conduct the purpose of which is to market, promote, or solicit business for the Franchised Business and that involves face-to-face or in-person contact (as distinguished from indirect contact through mail or mass media).

19.27. "Intellectual Property" includes inventions, discoveries, know-how, show-how, processes, methods, unique materials, copyrightable works, original data and other creative or artistic works that have value. Intellectual Property includes that which is protectable by statute or legislation, such as patents, copyrights, trademarks, service marks, and trade secrets, as well as the physical embodiments of intellectual effort, for example, models, machines, devices, designs, apparatus, instrumentation, circuits, computer programs and visualizations, biological materials, chemicals, other compositions of matter, plants, and records of research.

19.28. "Local Advertising" means advertising, promotion, and public relations within the local area to be serviced by the Franchised Business, and consists only of direct costs to purchase marketing materials (including, by way of example and not limitation, point-of-sale materials), promotion, out-of-pocket expenses for the cost of advertising and sales promotion (including, by way of example and not limitation, media placement charges, advertising agency fees and expenses, cash and "in-kind" promotional payments, postage, shipping and photocopying), and such other activities and expenses as Franchisor in its Business Judgment may specify. Franchisor may specify the types of advertising and promotional activities and costs that do not qualify as "Local Advertising," including, by way of example and not limitation, the face value of promotional coupons, cash donations, the cost of products or services donated or provided at a discount to charitable organizations, and telephone directory listings and advertisements.

19.29. "Marks" are the trademarks, service marks, trade names, trade dress, and other commercial symbols that Franchisor or its Affiliate uses or may adopt to identify the products and/or services offered under the System, including the HOMETEAM®. "Marks" do not include trademarks, service marks, trade names, trade dress, and other commercial symbols used to identify the products and/or services offered by franchisees of another system (even if they are Competitive Businesses) acquired by Franchisor or its Affiliate.

19.30. "Manual" means the HOMETEAM operating manual and other items that Franchisor may provide in the future, including other manuals and all books, computer programs, pamphlets, memoranda, webinars, and other publications prepared by or on behalf of Franchisor, as may be added to, modified, or withdrawn by Franchisor from time to time, containing the standards, methods, procedures, and specifications of the System.

19.31. "Branding Contribution" means the recurring fee Franchisee is required to make under section 5.3 to any Branding Fund established under section 11.2.

19.32. "Branding Fund" means a branding, marketing, or advertising fund established under section 11.2.

19.33. "Minimum Annual Gross Sales" is defined in section 7.7.

19.34. "Ownership Interest" means: (1) a share of capital stock in any corporation, a partnership interest in any partnership, or a membership interest in any limited liability company, or a right to a share of the revenues, profits, or assets of any other Business Organization (other than Franchisor's right to receive Royalties and Branding Contributions from any HomeTeam Franchisee under this or any other agreement); (2) direct or indirect community property rights in an asset or property; and (3) with respect to Franchisee, in addition to the foregoing, any other equitable or legal right in the revenues, profits, rights or assets of Franchisee or the Franchised Business (other than Franchisor's right to receive Royalties and Branding Contributions from Franchisee under this or any other agreement).

19.35. "Person", whether or not capitalized, includes a corporation, limited liability company, partnership of any kind, joint venture, unincorporated association, estate, trust, charitable organization, government, governmental body and agency, commission, and any other entity and organization, as well as an individual.

19.36. "Post-Termination Provisions" are those obligations in this agreement that are intended by their nature to survive the expiration, transfer, repurchase, or termination of this agreement (for any reason), including, but not limited to, provisions pertaining to Confidential Information, noncompetition, indemnification, de-identification, interpretation and dispute resolution.

19.37. "Principal" means a legal or beneficial owner of an Ownership Interest in a Business Organization.

19.38. "Annual Minimum Branding Contribution" is defined in section 5.4.

19.39. "Annual Minimum Royalty" is defined in section 5.2.

19.40. "Real-Estate-Related Membership Organization" means a national or local chapter of an organization comprised of members, all or some of whom work in business or professional fields related to real property, such as the National Association of Realtors, Women's Council of Realtors, National Association of Home Builders, and Business Network International. Franchisor shall determine whether an organization is a Real-Estate-Related Membership Organization in its Business Judgment.

19.41. "Referral Source" means a Person that, due to its purpose or the nature of its business, frequently encounters opportunities to recommend, to its customers, clients, members, or to the general public, providers of building inspections or other Authorized Products and Services. Examples of Referral Sources (by way of illustration and not limitation) are real estate agents and brokers, relocation companies, attorneys, appraisers, mortgage brokers, mortgage companies, and financial institutions. Franchisor has the right to identify additional Referral Sources in its Business Judgment.

19.42. "Remote Principal" means a Principal of a Business Organization that is a Principal of another Business Organization.

19.43. "Royalty" means the recurring fee Franchisee is required to pay Franchisor under section 5.1 in consideration of Franchisee's continued right to use the Marks.

19.44. "Start-up Package" means the technology package (including computer, tablets, and other hardware, accounting and other software programs), marketing and promotional materials, a vehicle branding allowance, business cards, uniforms, tool package, 6 months Digital Marketing Package, and other supplies required for the operation of the Franchised Business provided by Franchisor under section 6.1(a). Items in the Start-Up Package will be modified from time-to-time with some items be retired and eliminated from the Start-Up Package and some new items being added to the Start-Up Package

19.45. "Start-up Package Fee" means the one-time fee Franchisee is required to pay under section 4.3 for the Start-up Package provided by Franchisor.

19.46. "Renewal Franchise" is a HomeTeam Franchise that Franchisee may be granted under section 2.2, as a renewal to the Franchised Business, for an additional ten-year term following the expiration of this agreement.

19.47. "Renewal Franchise Fee" is the fee Franchisee must pay Franchisor as consideration for a Renewal Franchise under section 2.2, equal to $2,500. The Renewal Franchise Fee is not refundable unless Franchisor refuses to grant Franchisee a Renewal Franchise.

19.48. "System" refers to both (a) the network of HomeTeam Franchises established by Franchisor and (b) the distinctive business methods and features of that network that have been developed by Franchisor for the operation of HomeTeam Franchises, including the Marks and Franchisor's unique business format, which includes distinctive standards, methods, procedures, and specifications developed by Franchisor for the promotion and provision of services, distinctive advertising, specially-designed business forms for efficient business operation, operating manuals, and training courses, all of which may be supplemented, modified, or withdrawn by Franchisor from time to time.

19.49. "System Standards" means the uniform specifications, standards, operating procedures, and rules prescribed by Franchisor for the development and operation of the Franchised Business and other HomeTeam Franchises, as periodically supplemented, modified, or withdrawn by Franchisor, in its Business Judgment, via the Manual or otherwise communicated to Franchisee in writing. The System Standards constitute provisions of this agreement as if fully reproduced in this agreement.

19.50. "Territory" is the geographical area described in Exhibit B.

19.51. "Third-Party Software" means a computer application developed or owned by a Person other than Franchisor.

19.52. "Transfer" means any voluntary or involuntary, direct or indirect assignment, sale, gift, exchange, pledge, hypothecation, or other transfer of this agreement, of Franchisee, of the Franchised Business, of an Ownership Interest, or of any interest in any of the foregoing, or any other event that may create an Ownership Interest or change the legal or beneficial title to any Ownership Interest, including a merger or consolidation of Franchisee, the issuance of additional Ownership Interests in Franchisee, a transfer in a divorce, insolvency, corporate dissolution proceeding, or otherwise by operation of law, and a transfer by will, declaration of or transfer in trust, or under the laws of intestate succession.

19.53. "Transfer Fee" means the fee imposed by section 12.2(b)(13) as a condition to Franchisor's approval of a Transfer by Franchisee. The Transfer Fee is the then current transfer fee, currently $10,000.

19.54. "Website**"** means an interactive electronic document, series of symbols or otherwise, that is contained in a network of computers and/or other devices liked by communications software, and include Internet home pages.

The parties are signing this agreement on the dates below, the latest of which is the "Effective Date" of this agreement.

THE HOMETEAM INSPECTION SERVICE, INC.	BUSINESS ORGANIZATION FRANCHISEE:
By:_____	By:_____
Its:_____	Its:_____
Date:_____	Date:_____
INDIVIDUAL FRANCHISEE:	**INDIVIDUAL FRANCHISEE:**
_____	_____
Signature	*Signature*
Date:_____	Date:_____

EXECUTION BY FRANCHISEE(S) MUST BE NOTARIZED

STATE OF _____, COUNTY OF _____, Ss.

On _____, before me, a Notary Public in and for said County and State, personally appeared _____, who acknowledged that they executed the foregoing instrument.

_____
NOTARY PUBLIC

EXHIBIT A

IDENTIFICATION OF FRANCHISEE

INDIVIDUAL FRANCHISEE

Name: _____ Date of Birth: _____

Home Address (P.O. Box not acceptable): _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

ORGANIZATION FRANCHISEE

Check One: ☐ Corporation ☐ Limited Liability Company ☐ Partnership

Name of Organization: _____

Address: _____

City: _____ State: _____ ZIP: _____

Telephone: _____ EIN: _____

Date of Organization: _____ State of Organization: _____

Statutory/Registered Agent: _____

Address of Agent: _____

City: _____ State: _____ ZIP: _____

Officers

President: _____ Vice President: _____

Treasurer: _____ Secretary: _____

Shareholders/Members/Partners

Name: _____ Percentage of Ownership: _____

Home Address: _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

Name: _____ Percentage of Ownership: _____

Home Address: _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

Name: _____ Percentage of Ownership: _____

Home Address: _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

Name: _____ Percentage of Ownership: _____

Home Address: _____

City: _____ State: _____ ZIP: _____

Home Telephone: _____ SSN: _____

The undersigned individual Franchisee, or each of the Principals of a business organization Franchisee, hereby certifies that the foregoing information is accurate and complete to the best of his or her knowledge and agrees to notify Franchisor promptly of any change in any such information during the term of the Franchise Agreement to which this Exhibit A pertains.

_____	_____
Signature	Signature
_____	_____
Print Name	Print Name
Date: _____	Date: _____
_____	_____
Signature	Signature
_____	_____
Print Name	Print Name
Date: _____	Date: _____

EXHIBIT B

FRANCHISE TERRITORY AND TRADE NAME

1. **Territory**. The Territory referenced in section 1.2 of the Franchise Agreement to which this Exhibit is attached consists of the following Postal Codes in the State of _____:

A map of the Territory is attached hereto; however, in the event of a discrepancy between the map and the written description above, the written description controls. If any street, road, or highway serves as a boundary of the Territory, the actual boundary is the centerline of the street, road, or highway, and only the land and structures within such boundary are included in Franchisee's Territory.

2. **Trade Name**. Franchisee shall operate the Franchised Business only under the trade name, HOMETEAM INSPECTION SERVICE (the "Trade Name"), and shall use no other trade name, business name, fictitious name, or assumed name in connection with the Franchised Business without Franchisor's prior consent.

3. This Exhibit B is to be attached to, incorporated in and made a part of the Franchise Agreement between Franchisor and Franchisee.

The parties are signing this Exhibit B on the dates below.

THE HOMETEAM INSPECTION SERVICE, INC.	BUSINESS ORGANIZATION FRANCHISEE:
By:_____	By:_____
Its:_____	Its:_____
Date:_____	Date:_____
INDIVIDUAL FRANCHISEE:	**INDIVIDUAL FRANCHISEE:**
_____	_____
Signature	*Signature*
Date:_____	Date:_____

EXHIBIT C

SAMPLE START-UP PACKAGE

Quality Home Inspection Brochures
Business Cards
Sales and Marketing Pieces
Promotional Items
Six months of Digital Marketing Package
Digital Marketing Package and Social Media setup
Vehicle Wrap Allowance
Four Shirts
Inspection Tools
Two Tablet Computers

Above list is only a sample. Actual package items received may differ in content and quantity due to changes in the System or retirement of certain products and marketing campaigns.

EXHIBIT D

GENERAL RELEASE LANGUAGE

1. Release – General Provisions. Franchisee and each of the Principals and Remote Principals of Franchisee, and all Affiliates of any of them, on their own behalf and on behalf of their respective successors, assigns, and anyone claiming through or under them (collectively referred to as the "Releasing Parties"), hereby waive, release, acquit, and forever discharge each and all of the Franchisor-Related Persons of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, liabilities, claims, demands, damages, losses or expenses, of any nature whatsoever, known or unknown, fixed or contingent, which they have, or may hereafter have, against the Franchisor-Related Persons, individually or collectively, including all matters, causes or things whatsoever, that were or have been, or could have in any way been alleged in any pleadings filed in any suit or arbitration (the "Claims").

2. Without limiting the generality of paragraph 1, the Releasing Parties intend this release, as it pertains to Claims by them or to anyone claiming through or under them, to cover, encompass, relinquish, and extinguish all Claims against the Franchisor-Related Persons, including all Claims arising from any misrepresentation in or omission from any disclosure document received by Franchisee or any of the Affiliates, Principals, or Remote Principals of Franchisee, or from a violation of the Sherman Antitrust Act, the Federal Trade Commission Act, the Federal Trade Commission Trade Regulation Rule entitled *Disclosure Requirements and Prohibitions Concerning Franchising* (16 CFR Part 436), any amendment or successor to any of the foregoing statutes or regulations, or any other federal or state (including the state in which the principal office of the Franchised Business is located and the state in which Franchisee was organized) securities, franchise, business opportunity, antitrust, consumer protection, or unfair or deceptive trade practices law or regulation.

3. The Releasing Parties expressly acknowledge and agree that the Claims each of them is releasing include any and all claims of every nature and kind whatsoever, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, accrued or contingent, intentional or unintentional, and liquidated or unliquidated. The Releasing Parties specifically waive the protection afforded by any statute or law in any jurisdiction, the purpose, substance, or effect of which is to provide that a general release does not extend to claims, material or otherwise, which do not exist or which the person giving the release does not know or suspect to exist at the time of executing the release. The Releasing Parties intend for this release to be as broad as is permitted by law and unqualifiedly general in scope and effect, and that any Claims against any of the Franchisor-Related Persons are hereby forever canceled and forgiven.

4. For California Franchisees. The Releasing Parties acknowledge that they are familiar with the provisions of California Civil Code Section 1542 and intend this release to cover, encompass, release, and extinguish, among others, all claims and matters that might otherwise be reserved by California Civil Code section 1542, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

THE RELEASING PARTIES, BEING AWARE OF CALIFORNIA CIVIL CODE SECTION 1542, HEREBY EXPRESSLY WAIVE ALL OF THEIR RIGHTS THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES

OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION (INCLUDING THE STATE IN WHICH THE PRINCIPAL OFFICE OF THE FRANCHISED BUSINESS IS LOCATED AND THE STATE IN WHICH FRANCHISEE WAS ORGANIZED).

5. Risk of Mistake. The Releasing Parties expressly assume the risk of any mistake of fact or fact of which they may be unaware or that the true facts may be other than any facts now known or believed to exist by them, and it is their intention to forever settle, adjust and compromise any and all present and future disputes with respect to all matters from the beginning of time to the date of this document, finally and forever, and without regard to who may or may not have been correct in their understanding of the facts, law or otherwise. All releases given by the Releasing Parties are intended to constitute a full, complete, unconditional and immediate substitution for any and all rights, claims, demands and causes of action that exist, or might have existed, on the date of this release. The Releasing Parties represent and warrant that they have made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to or released in or by this release as the Releasing Parties, in their independent judgment, believe necessary or appropriate. The Releasing Parties have not relied on any statement, promise, or representation, whether of fact or law, or lack of disclosure of any fact or law, by the Franchisor-Related Persons or anyone else, not expressly set forth herein, in executing this document and the related releases.

6. No Assignment or Transfer of Interest. The Releasing Parties represent and warrant that there has been, and there will be, no assignment or other transfer of any interest in any Claims that the Releasing Parties may have against any or all of the Franchisor-Related Persons, all Claims having been fully and finally extinguished, and the Releasing Parties shall forever indemnify and hold the Franchisor-Related Persons harmless from any liability, claims, demands, damages, losses, costs, expenses or legal fees incurred by any of the Franchisor-Related Persons as a result of any Person asserting any interest in any of the Claims or any voluntary, involuntary or other assignment or transfer, or any rights or claims under any assignment, transfer, or otherwise. It is the intention of the parties that this indemnity does not require payment by any of the Franchisor-Related Persons as a condition precedent to recovery against the Releasing Parties under this indemnity.

7. Legal expenses. If the Releasing Parties, or any Person acting for or on behalf of, the Releasing Parties or claiming to have received, by assignment or otherwise, any interest in any of the Claims, commence, join in, or in any manner seek relief through any suit or other legal or equitable proceeding arising out of, based upon or relating to any of the Claims released hereunder, or in any manner asserts against all or any of the Franchisor-Related Persons any of the Claims released hereunder, the Releasing Parties shall pay all legal expenses and other costs incurred by any of the Franchisor-Related Persons in defending or otherwise responding to said suit or assertion, directly to the Franchisor-Related Persons incurring such costs.

8. Date of Releases; Joint and Several Liability. The releases granted hereunder will be deemed effective as to each of the Releasing Parties as of the date this document is signed by each of the Releasing Parties. The liabilities and obligations of each of the Releasing Parties (and any other Person providing releases to the Franchisor-Related Persons) will be joint and several.

9. Defined Terms. Capitalized words that are not defined in this document are used as defined in the franchise agreement between Franchisee and Franchisor.

EXHIBIT E

AUTHORIZATION FOR ELECTRONIC FUND TRANSFER

The undersigned depositor ("DEPOSITOR") hereby authorizes The HomeTeam Inspection Service, Inc. ("PAYEE") to initiate debit entries and/or credit correction entries to the Depositor's checking account designated below, and authorizes the financial institution designated below ("BANK") to debit such account pursuant to Payee's instructions.

Name of Financial Institution _____ Branch _____

Address of Financial Institution _____ City _____ State _____ ZIP Code _____

Account Number _____ Bank Transit/Routing Number _____

This authority will remain in effect until BANK receives a written cancellation notification from DEPOSITOR in such time as to afford BANK a reasonable opportunity to act on it. DEPOSITOR may stop payment of any entry by notifying BANK at least three (3) business days before the entry is charged to DEPOSITOR'S account. DEPOSITOR may have the amount of any erroneous entry immediately credited to DEPOSITOR'S account by notifying BANK within fifteen (15) calendar days after BANK issues DEPOSITOR'S account statement containing the erroneous entry or forty-five (45) days after posting, whichever occurs first. These rights are in addition to any rights DEPOSITOR may have under federal and state banking or consumer protection laws.

Name of DEPOSITOR:_____

By:_____ Date:_____

Title:_____

A voided check must be attached to this form.

EXHIBIT B TO THE
HOMETEAM® FRANCHISE DISCLOSURE DOCUMENT

IRREVOCABLE POWER OF ATTORNEY

IRREVOCABLE POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That _____ ("Franchisee") does hereby irrevocably constitute and appoint THE HOMETEAM INSPECTION SERVICE, INC., an Ohio corporation ("Franchisor"), the true and lawful attorney-in-fact and agent for Franchisee and in Franchisee's name, place and stead, to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as, in the sole discretion of Franchisor, may be necessary or advisable for the sole purpose of assigning to Franchisor all of Franchisee's right, title and interest in and to

1. any and all telephone numbers of Franchisee's HOMETEAM Franchise and all other business listings, including but not limited to, the execution and delivery on Franchisee's behalf of any Transfer of Service Agreement and any other transfer documentation required by the applicable telephone service company providing telephone services for Franchisee; and

2. any and all web sites, web pages, listings, banners, URLs, advertisements or any other services and links related to Franchisee's HOMETEAM Franchise or use of Franchisor's trademarks, service marks or other logos, on or with the Internet, Internet service providers, electronic mail services, communication providers, search engines or other similar services, including but not limited to, the authority to transfer, modify or cancel any such service, listing, or link; hereby granting unto Franchisor full power and authority to execute and deliver on Franchisee's behalf any and all documentation required by any telephone service provider, Internet service provider, electronic mail service, communication provider, search engine, regulatory agency or other provider of services, or any other party, and to do and perform any and all acts and things which, in the sole discretion of Franchisor, are necessary or advisable to be done as fully to all intents and purposes as Franchisee might or could itself do, hereby ratifying and confirming all that Franchisor may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney and regardless of whether Franchisee has designated any other person to act as its attorney-in-fact and agent, no person, firm or corporation dealing with Franchisor will be required to ascertain the authority of Franchisor, nor to see to the performance of the agency, nor be responsible in any way for the proper application of funds or property paid or delivered to Franchisor. Any person or entity dealing with Franchisor shall be fully protected in acting and relying on a certificate of Franchisor that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and Franchisee will not take any action against any person or entity acting in reliance on such a certificate or a copy of this Power of Attorney. Any instrument or document executed on behalf of Franchisee by Franchisor will be deemed to include such a certificate on the part of Franchisor, whether or not expressed. This paragraph will survive any termination of this Power of Attorney.

This power of Attorney will terminate two years after the expiration or termination of the Franchise Agreement dated evenly herewith between Franchisor and Franchisee. Such termination, however, will not affect the validity of any act or deed that Franchisor may have affected prior to such date pursuant to the powers herein granted.

This instrument is to be construed and interpreted as an irrevocable Power of Attorney coupled with an interest. It is executed and delivered in the State of Ohio and the laws of the State of Ohio govern all questions as to the validity of this Power of Attorney and the construction of its provisions.

FRANCHISEE:_____

By:_____

Its:_____

Date:_____

STATE OF _____, COUNTY OF _____, Ss.

On _____, before me, a Notary Public in and for said County and State, personally appeared _____, who acknowledged that they executed the foregoing instrument.

_____
NOTARY PUBLIC

EXHIBIT C TO THE
HOMETEAM® FRANCHISE DISCLOSURE DOCUMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of, and as an inducement to, the execution by THE HOMETEAM INSPECTION SERVICE, INC., an Ohio corporation, ("Franchisor") of a franchise agreement dated _____ (the "Agreement") between Franchisor and _____ (the "Business Entity Franchisee"), each of the undersigned Personal Guarantors hereby personally and unconditionally, jointly and severally:

1. guarantees to Franchisor and the Franchisor-Related Persons and each of their successors and assigns, for the term of the Agreement, and for any renewal/successor franchise term, and thereafter as provided in the Agreement, that the Business Entity Franchisee will punctually pay and perform, each and every undertaking, agreement and covenant set forth in the Agreement, as currently set forth and as amended or otherwise changed in the future, including any renewal franchise agreement;

2. agrees to be personally bound by, and personally liable for, the breach of, each and every provision in the Agreement (including all confidentiality, non-competition, indemnity, and post-termination provisions) as currently set forth and as amended or otherwise changed in the future, including any renewal franchise agreement; and

3. agrees to be personally bound by, and personally liable for, each past, current and future obligation of the Business Entity Franchisee to Franchisor and the Franchisor-Related Persons and each of their successors and assigns.

Each of the Personal Guarantors intends that the guarantees and other obligations in this Guaranty be unqualifiedly general and without limitation in scope, nature and effect. Franchisor and the Franchisor-Related Persons, and each of their successors and assigns, need not bring suit first against any one or all of the Personal Guarantors in order to enforce this Guaranty, and may enforce this Guaranty against any or all of the Personal Guarantors as they choose in their sole and absolute discretion.

Each of the Personal Guarantors waives: presentment, demand, notice of demand, dishonor, protest, nonpayment, default and all other notices (including, but not limited to, acceptance and notice of acceptance, notice of any contracts or commitments, notice of the creation or existence of any liabilities under the Agreement or otherwise and of the amounts, terms or otherwise thereof, notice of any defaults, disputes or controversies between Franchisor and the Business Entity Franchisee or otherwise, and any settlement, compromise or adjustment thereof); any right the Personal Guarantor may have to require that an action be brought against Franchisor, Business Entity Franchisee or any other person as a condition of liability, and any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the Personal Guarantors consents and agrees that:

1. his or her direct and immediate liability under this Guaranty is joint and several;

2. he or she will render any payment or performance required under the Agreement on demand if the Business Entity Franchisee fails or refuses to do so punctually;

3. his or her liability under this Guaranty is not contingent or conditioned on pursuit by Franchisor or otherwise of any remedies against the Business Entity Franchisee or any other person;

4. his or her liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that Franchisor or any other person may from time to time grant to the Business Entity 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 will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement and any renewal/renewal franchise term;

5. the liabilities and obligations of the Personal Guarantors, whether under this Guaranty or otherwise, will not be diminished or otherwise affected by the termination, rescission, expiration, renewal, award of a renewal franchise, modification or otherwise of the Agreement;

6. terms not defined in this Guaranty will have the meanings assigned in the Agreement; and

7. the provisions of Articles 16 and 18 of the Agreement are incorporated in and will apply to this Guaranty as if fully set forth herein and will apply to any dispute involving Franchisor, the Franchisor-Related Persons, any Advertising Fund, or any of their successors and assigns, on one side, and any of the Personal Guarantors on the other side.

In connection with this Guaranty and Franchisor (a) not requiring that the Franchise be initially awarded in the name of one or more of the Personal Guarantors and (b) not requiring the payment of a full transfer fee in connection with any related transfer from the Personal Guarantors to the Business Entity Franchisee, each of the Personal Guarantors hereby grants a General Release of any and all claims, liabilities and obligations, of any nature whatsoever, however arising, known or unknown, against Franchisor, the Franchisor-Related Persons, any Advertising Fund, and each of their successors and assigns.

In this Guaranty, the term "Franchisor-Related Persons" means Franchisor and each and all of the following, whether past, current, or future: persons acting through, in concert with Franchisor, or as affiliates of Franchisor or of any of the foregoing; partners, members, shareholders, officers, directors, agents, attorneys, accountants, and employees of Franchisor or any of the foregoing; and predecessors, successors, or assigns of Franchisor or any of the foregoing. The word "person" includes individuals, corporations, limited liability companies, partnerships of any kind, unincorporated associations, joint ventures, governments, governmental bodies or agencies, commissions, estates, trusts, charitable organizations, and all other entities and organizations of any kind.

The undersigned are signing this Guaranty on the dates below.

PERSONAL GUARANTOR	PERSONAL GUARANTOR
_____	_____
Personally and Individually (Printed Name)	*Personally and Individually (Printed Name)*
_____	_____
Personally and Individually (Signature)	*Personally and Individually (Signature)*
Date:_____	Date:_____
HOME ADDRESS:	HOME ADDRESS:
_____	_____
Street Address	*Street Address*
_____	_____
City, State, Zip Code	*City, State, Zip Code*
TELEPHONE NO.:_____	TELEPHONE NO.:_____
PERCENTAGE OF OWNERSHIP IN FRANCHISE:_____%	PERCENTAGE OF OWNERSHIP IN FRANCHISE:_____%
PERSONAL GUARANTOR	PERSONAL GUARANTOR
_____	_____

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Date:_____

HOME ADDRESS:

Street Address

City, State, Zip Code

TELEPHONE NO.:_____

PERCENTAGE OF OWNERSHIP

IN FRANCHISE:_____%

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Date:_____

HOME ADDRESS:

Street Address

City, State, Zip Code

TELEPHONE NO.:_____

PERCENTAGE OF OWNERSHIP

IN FRANCHISE:_____%

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Date:_____

HOME ADDRESS:

Street Address

City, State, Zip Code

TELEPHONE NO.:_____

PERCENTAGE OF OWNERSHIP

IN FRANCHISE:_____%

PERSONAL GUARANTOR

Personally and Individually (Printed Name)

Personally and Individually (Signature)

Date:_____

HOME ADDRESS:

Street Address

City, State, Zip Code

TELEPHONE NO.:_____

PERCENTAGE OF OWNERSHIP

IN FRANCHISE:_____%

BUSINESS ENTITY FRANCHISEE:

_____

Printed Name

By:_____

Signature

Its:_____

Date:_____

EXHIBIT D TO THE
HOMETEAM® FRANCHISE DISCLOSURE DOCUMENT

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This agreement is between

_____

d.b.a. HOMETEAM INSPECTION SERVICE ("Franchisee"), whose address is:

_____

_____

Telephone: _____

and

_____ ("Covenantor") whose address is:

_____

_____

Telephone: _____

A. Pursuant to a franchise agreement dated _____ (the "Franchise Agreement"), Franchisor licensed Franchisee to operate a HomeTeam Franchise (defined in section (e) below).

B. Covenantor holds a position as a shareholder, officer, director, partner, member, manager, employee, or trustee of Franchisee.

C. Franchisor has expended substantial amounts of time and money in developing the Marks (defined in section (g) below) and the System (defined in section 15(i) below), which includes Confidential Information (defined in section (a) below).

D. In connection with the operation of the Franchise, Covenantor will have access to Confidential Information.

E. The Franchise Agreement requires that all shareholders, officers, directors, legal or beneficial owner of an ownership Interest in the Franchise Business partners, members, managers, employees, and trustees of Franchisee must execute this agreement.

THEREFORE, Covenantor hereby agrees as follows:

1. Confidential Information. Covenantor acknowledges the proprietary and confidential nature of all Confidential Information. Covenantor shall use Confidential Information solely for Franchisee's benefit in compliance with the Franchise Agreement, maintain the absolute secrecy and confidentiality of the Confidential Information during and after the term of this agreement, and may not at any time disclose, communicate, divulge, or use any Confidential Information to or for the benefit of any other person. Covenantor's obligations under this paragraph have no time or geographical limitation.

2. Manuals. The Manuals (defined in section 15(f) below) remain the sole property of Franchisor at all times. Franchisor and Franchisee treat the Manuals and all information in them as Confidential Information. Covenantor shall also treat the Manuals and all information in them as Confidential Information, and shall use all reasonable efforts to maintain the absolute secrecy and confidentiality of such information. Covenantor may not at any time copy, duplicate, record, distribute, or otherwise make the Manuals available to any unauthorized person. Covenantor's obligations under this paragraph have no time or geographical limitation.

3. Use of Marks. Covenantor acknowledges Franchisor's right, title, and interest in and to the Marks. Covenantor further acknowledges that any use of the Marks outside the scope of the Franchise Agreement without Franchisor's prior written consent would be an infringement of Franchisor's rights in the Marks and a breach of the Franchise Agreement by Franchisee. Accordingly, Covenantor shall not, directly or indirectly, commit an act of infringement or contest, or aid in contesting, the validity or ownership of the Marks or take any other action in derogation thereof at any time.

4. Nonsolicitation. Covenantor shall not, during the term of the Franchise Agreement and for a continuous and uninterrupted period beginning upon the expiration or termination of the Franchise Agreement (regardless of the cause for termination) and continuing for TWO YEARS thereafter, either directly or indirectly, for himself or through, on behalf of, or in conjunction with, any other Person (including Covenantor's spouse or children):

(a) solicit, contact, or otherwise communicate with any person who was a client of the Franchised Business at any time, for the purpose of promoting, advertising, or offering any products or services that had been offered by the Franchised Business;

(b) contact or communicate with any Referral Source that has an office located anywhere in the Territory (defined in section (j) below) or within twenty-five miles of the geographical boundaries of the Territory, for the purpose of promoting or soliciting referrals for any business or services that had been offered by the Franchised Business; or

(c) divert or attempt to divert any business or customer of Franchisee or of any other HOMETEAM Franchise to any competitor or to Covenantor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act that may injure or prejudice the goodwill associated with the Marks and the System.

The time period referred to in this section 4 will be stayed during any violation or breach of the terms of this section.

5. Noncompetition. Covenantor shall not, during the term of the Franchise Agreement and for a continuous and uninterrupted period beginning upon the expiration or termination of the Franchise Agreement (regardless of the cause for termination) and continuing for TWO YEARS thereafter, directly or indirectly, for himself or through, on behalf of, or in conjunction with, any other Person (including Covenantor's spouse or children), own, maintain, operate, engage in, or have any interest in, any Competitive Business (defined in section 15(a) below) that is or is intended to be located within the Territory or within seventy-five miles of the Territory. This restriction does not apply to the beneficial ownership by Covenantor of less than one percent of the outstanding equity securities of any corporation the securities of which are registered under the Securities and Exchange Act of 1934. The time period referred to in this section will be stayed during any violation or breach of the terms of this section.

6. Remedies. Covenantor acknowledges that his violation of any of the covenants in this agreement would result in irreparable injury to Franchisor and Franchisee, for which no adequate remedy at law may be available, and accordingly consents to the issuance of, and agrees to pay all court costs and reasonable attorney fees incurred by Franchisor or Franchisee in obtaining, an injunction enjoining any conduct by Covenantor prohibited by this agreement. This remedy is in addition to any other remedies that may be available to Franchisor or Franchisee.

7. Effect. This agreement is binding upon and inures to the benefit of the parties and their respective legal representatives, successors, and assigns.

8. Integration; Modification. This agreement constitutes the entire agreement between the parties relating to the subject matter hereof, and any prior agreements and understandings between the parties

relating to the same subject are hereby superseded and merged into this agreement. This agreement may be modified or amended only by a written instrument signed by all parties.

9. Enforcement Costs. In any judicial proceeding to enforce this agreement or appeal thereof, the prevailing party in the proceeding is entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees, arbitration administrative charges, and all other costs and expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing, or proceeding to enforce the obligations of this agreement.

10. No Waiver. No failure or delay on the part of any party in exercising any right, power, or privilege under this agreement will operate as a waiver thereof, nor will a single or partial exercise of any right, power, or privilege under this agreement by any party preclude any other or further exercise thereof or the exercise of any other right, power, or privilege by that party.

11. Severability. Each of the covenants in this agreement is to be construed as independent of any other covenant or provision of this agreement. If any provision of this agreement is held to be illegal, invalid, or unenforceable, the provision will be deemed to be modified to the extent necessary to permit its enforcement to the maximum extent permitted by applicable law, and Covenantor expressly agrees to be bound by any lesser covenants subsumed within the terms of the provision that imposes the maximum duty permitted by law, as if the resulting covenants were separately stated in and made a part of this agreement. The remainder of this agreement and all other provisions hereof will not be affected thereby.

12. Governing Law. The laws of the state in which Franchisee's principal office is located govern all aspects of this agreement.

13. Jurisdiction and Venue. Any action brought by Franchisor against any other party to enforce the terms of this agreement may be brought in state or federal court in the state of Ohio in the judicial district in which Franchisor has its principal place of business, and each party hereby submits to the exercise of personal jurisdiction by any such court and waives all objections or defenses of lack of personal jurisdiction or improper venue for the purpose of carrying out this provision.

14. Third-Party Beneficiary. Each of the parties acknowledges and intends that the covenants in this agreement directly benefit Franchisor, and Franchisor is a third-party beneficiary of this agreement, entitled to enforce the provisions of this agreement in its own name without Franchisee as a party, and further entitled to all remedies provided in section 6 hereof.

15. Definitions. To simplify this agreement and make it easier to read and understand, certain terms have been defined below and will be capitalized throughout the agreement. Capitalized words that are not defined below are defined in the section where they first appear.

(a) "Competitive Business" means a business that offers or sells, or franchises or licenses others to operate a business that offers or sells, building inspection services or any other products or services similar to those offered as part of the System or in which Confidential Information could be used to the disadvantage of Franchisor, its Affiliates, or other HomeTeam Franchises, or that is competitive with the services or products offered by HomeTeam Franchises.

(b) "Confidential Information" means trade secrets and any information or matter that is confidential and/or proprietary and/or 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 System, including, but not limited to, know-how, knowledge of and experience in operating a Franchise, methods, techniques, formats, specifications, procedures, systems, policies and standards, business operating systems and techniques, marketing programs for Franchisee or other HomeTeam Franchises, record keeping and reporting methods, accounting systems, sales and marketing methods and training techniques, specifications for signs, displays, business forms and stationery to be used by Franchisee,

the Manuals (which Franchisee has received on loan from Franchisor), ideas, research and development, customer and supplier lists, pricing and cost information, software developed or introduced by Franchisor or its affiliates as part of the System (and all aspects thereof, including code, functions, menus, and screen views, and all future enhancements thereto), the financial condition, results of operations, and other financial information about Franchisor, Franchisee, Franchisee's Franchise, and/or other HomeTeam Franchises, and any other information or material identified by Franchisor or Franchisee as confidential.

(c) "Franchised Business" means the HomeTeam Franchise operated by Franchisee under the Franchise Agreement.

(d) "Franchisor" means The HomeTeam Inspection Service, Inc., an Ohio corporation.

(e) "HomeTeam Franchise" or "Franchise" is a business operated under a license granted by Franchisor that offers building inspection services or other goods and/or services that Franchisor may designate from time to time, using the Marks (HOMETEAM) and Franchisor's unique business format, which includes distinctive standards, methods, procedures, and specifications developed by Franchisor for the promotion and provision of services, distinctive advertising, specially-designed business forms for efficient business operation, operating manuals, and training courses, all of which may be supplemented, modified, or withdrawn by Franchisor from time to time.

(f) "Manuals" means the HomeTeam operating manuals (electronic or otherwise) and other items that Franchisor may provide on loan to Franchisee in the future, including other manuals (electronic or otherwise), and all books, pamphlets, memoranda, and other publications prepared by or on behalf of Franchisor, as may be added to, modified, or withdrawn by Franchisor from time to time, containing the standards, methods, procedures, and specifications of the System.

(g) "Marks" are the trademarks, service marks, trade names, trade dress, logos, and other commercial symbols that Franchisor or its affiliates use or may acquire to identify the products and/or services offered under the System, including the HOMETEAM® trademarks.

(h) "Person" includes corporations, limited liability companies, partnerships of any kind, joint ventures, unincorporated associations, estates, trusts, charitable organizations, governments, governmental bodies and agencies, commissions, and all other entities and organizations, as well as individuals.

(i) "System" refers to both (a) the network of HomeTeam Franchises established by Franchisor and (b) the distinctive business methods and features of that network that have been developed by Franchisor for the operation of HomeTeam Franchises, including, but not limited to, the Marks and Franchisor's unique business format, which includes distinctive standards, methods, procedures, and specifications developed by Franchisor for the promotion and provision of services, distinctive advertising, specially-designed business forms for efficient business operation, operating manuals, and training courses, all of which may be supplemented, modified, or withdrawn by Franchisor from time to time.

(j) "Territory" is the geographical area described in Exhibit B to the Franchise Agreement.

[The signature page follows this paragraph.]

The parties are signing this agreement on the dates below.

FRANCHISEE	COVENANTOR
By:_____	_____
	Signature
Its:_____	
Date:_____	Date:_____
[redacted]	[redacted]

EXHIBIT E TO THE
HOMETEAM® FRANCHISE DISCLOSURE DOCUMENT

PROMISSORY NOTE

P R O M I S S O R Y N O T E

$_____ Principal Sum Date:_____

For value received, the undersigned promises to pay to the order of THE HOMETEAM INSPECTION SERVICE, INC. ("HomeTeam"), the principal sum of _____ ($ _____), plus interest thereon from the date hereof at the rate of twelve percent (12%) per annum, as modified below, until all amounts due hereunder are paid in full. This Note shall be payable until all principal and interest has been paid in full as follows:

a. the note will bear interest at a rate of 12% per year for a term not to exceed 48 months;

b. Payments will begin on the first day of the month immediately following the month in which Franchisee executes the Franchise Agreement and the payment amounts shall be equal to $_____;

c. the balance is payable in monthly installments per the following table:

Territory Size	*Amount of Down Payment (minimum)*	*Amount of Note (maximum)*	*Annual Percentage Rate*	*Total Term of Note*	*Monthly Payment*
			12.0%	*48*	

All payments received after the tenth day of the month will incur a late fee in the amount of $25.00. All payments due under this Note shall be payable by electronic funds transfer. Payments made under this Note shall each be credited first against accrued interest and second against the unpaid principal amount. There will be no pre-payment penalty and, at your discretion, you may accelerate payments to save interest and ultimately reduce principal. Payments made under this Note shall be payable in United States dollars.

In the event the undersigned is in default of any of its obligations under its Franchise Agreement with HomeTeam dated evenly with this Note, including, without limitation, its obligation to submit Weekly Sales Reports, Royalties and Advertising Fees to HomeTeam by Thursday for the prior week, or if the Franchise Agreement is terminated for any reason, or if any of the aforesaid installments is not paid when due, the entire unpaid principal amount, together with accrued interest, shall become immediately due and payable at the option and upon demand of the holder of this Note.

The undersigned agrees to pay all costs, including reasonable attorneys' fees, incurred by the holder to collect or otherwise enforce the terms of this Note, and hereby waives presentment for payment, demand, protest, and/or further notice of dishonor of any kind. This Note has been delivered in the State of Ohio, and shall be construed and enforced in accordance with the laws thereof. Jurisdiction and venue in any action to enforce this Note shall be in any state or federal court within the State of Ohio in the judicial district where the holder hereof has its principal place of business. The undersigned hereby consents to the exercise of personal jurisdiction by any such court and waives any defense of lack of personal jurisdiction or improper venue.

_____ _____

FRANCHISEE FRANCHISEE

* The amount and number of payments are based upon the following assumptions: ① the first payment will be made the first day of the month immediately following the date of this note, and ② all payments will be made on the due date. Additional payment(s) will be necessary if either of these assumptions do not occur.

EXHIBIT F TO THE
HOMETEAM® FRANCHISE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you are aware, you have or are preparing to enter into a Franchise Agreement with THE HOMETEAM INSPECTION SERVICE, INC. (**Franchisor**) for the operation of a HOMETEAM Franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you, either verbally or in writing, that the Franchisor did not authorize and that may be untrue, inaccurate, or misleading. Please read each of the following questions carefully and provide honest and complete responses to each question.

1. Did you receive a copy of the franchise agreement and other franchise contracts at least 7 days before you signed them?

YES _____ NO _____

2. Did you read the franchise contracts and their exhibits?

YES _____ NO _____

3. Did you understand everything in the franchise contracts and their exhibits?

YES _____ NO _____

If "No," what parts of the franchise contracts or their exhibits do you NOT understand? (Attach additional pages if necessary.)

_____

_____

_____

4. Did you receive a copy of the Franchisor's Franchise Disclosure Document?

YES _____ NO _____

5. Did you sign a receipt for the Disclosure Document, to show when you received it?

YES _____ NO _____

6. Did you understand all of the information in the Disclosure Document?

YES _____ NO _____

7. If "No," what parts of the Disclosure Document did you NOT understand?

(Attach additional pages if necessary.)

_____

_____

_____

8. Have you discussed your purchase of a HOMETEAM Franchise with an attorney, accountant, or other professional advisor?

YES _____ NO _____

9. Do you understand the risks of investing in and operating a HOMETEAM Franchise?

YES _____ NO _____

10. Do you understand that the success or failure of your HOMETEAM Franchise will depend in large part upon your skills and abilities, the number of hours you are willing to work, competition from other businesses, interest rates, the general state of the economy, inflation, labor and supply costs, and other general economic and business factors?

YES _____ NO _____

NOTE: QUESTIONS 11 THROUGH 18 DO NOT RELATE TO ANY INFORMATION YOU WERE GIVEN DIRECTLY BY A HOMETEAM FRANCHISEE.

Has any employee of the Franchisor made any written or oral statement or promise regarding:

11. . . . the actual revenue, profits, or operating costs of a HOMETEAM Franchise?

YES _____ NO _____

12. . . . the amount of money you can earn operating a HOMETEAM Franchise?

YES _____ NO _____

13. . . . the amount of sales revenue your HOMETEAM Franchise will or may generate?

YES _____ NO _____

14. . . . the costs you may incur in operating a HOMETEAM Franchise (as opposed to your initial investment, which was disclosed in the Disclosure Document)?

YES _____ NO _____

15. . . . your initial investment or costs to open a HOMETEAM Franchise that is different from the information in the Disclosure Document?

YES _____ NO _____

16. . . . the likelihood of success that you should or might expect to achieve from operating a HOMETEAM Franchise?

YES _____ NO _____

17. Has any employee of the Franchisor made any statement, promise, or agreement about the advertising, marketing, training, support services, or assistance that the Franchisor will provide you that is different from the information in the Disclosure Document?

YES _____ NO _____

18. Has any employee of the Franchisor made any statement, promise, or agreement about any other aspect of a HOMETEAM Franchise that is different from the information in the Disclosure Document?

YES _____ NO _____

If you answered "Yes" to any of Questions 11 through 18, please provide a full explanation of your answer in the following space (attach additional pages if necessary, and refer to them in the space below). If you answered "No" to every Question 11 through 18, please leave the following space blank.

_____

_____

_____

You understand that your answers are important to us and that we will rely on them in entering into the Franchise Agreement with you.

NOTHING IN THIS DOCUMENT IS TO BE CONSTRUED AS A RELEASE, ESTOPPEL OR WAIVER OF ANY LIABILITY OR OBLIGATION IMPOSED BY A STATE FRANCHISE OR INVESTMENT LAW.

By signing below, you represent that you have responded truthfully to the above questions.

Date:_____

_____
Signature

_____
Print Name

EXHIBIT G TO THE
HOMETEAM® FRANCHISE DISCLOSURE DOCUMENT

ADDENDUM FOR RENEWAL FRANCHISE AGREEMENT

RENEWAL FRANCHISE ADDENDUM

TO HOMETEAM FRANCHISE AGREEMENT

This addendum is between THE HOMETEAM INSPECTION SERVICE, INC. ("Franchisor") and _____ _____ ("Franchisee").

PREAMBLE:

A. Franchisee has been operating a HomeTeam Franchise under a franchise agreement with Franchisor (the "Prior Franchise Agreement") that was executed on _____ and will expire on _____.

B. Franchisee has requested and Franchisor has agreed to grant Franchisee a Renewal Franchise under section 2.2 of the Prior Franchise Agreement.

C. Accordingly, simultaneously with their execution of this addendum, Franchisor and Franchisee are entering into Franchisor's current form of franchise agreement (the "Franchise Agreement").

D. This addendum modifies certain aspects of the Franchise Agreement to reflect the fact that Franchisee is obtaining a Renewal Franchise and that it is an experienced operator of a HomeTeam Franchise, and to delete and/or waive the provisions of the Franchise Agreement that are intended to apply only to new franchisees.

THEREFORE, the parties hereby amend the Franchise Agreement and agree as follows:

1. Amendment of Franchise Agreement; Defined Terms. This addendum is an integral part of, and is incorporated into, the Franchise Agreement. Nevertheless, this addendum supersedes any inconsistent or conflicting provisions of the Franchise Agreement. The parties hereby ratify and affirm the Franchise Agreement in all other respects. Capitalized terms used but not defined in this addendum are defined in the Franchise Agreement.

2. Effective Date. The "Effective Date" and the first day of the term of the Franchise Agreement and this addendum is the day after the expiration date of the Prior Franchise Agreement, regardless of the actual date that the agreements were signed.

3. Option to Acquire Renewal Franchise. Notwithstanding anything to the contrary in section 2.2 of the Franchise Agreement, Franchisee has the right to be granted one Renewal Franchise if Franchisee complies with the conditions in subparagraphs (a) through (f) of section 2.2.

4. Initial Franchise Fee. No Initial Franchise Fee, or Start-Up Package Fee is required for a Renewal Franchise. Accordingly, Article 4 of the Franchise Agreement is inapplicable and is hereby deleted in its entirety.

5. Training and Operating Assistance. Franchisor has already satisfied its obligations under sections 6.2 through 6.4 and subparagraphs (a) through (e) of section 6.1 of the Franchise Agreement. However, Franchisee shall comply with Franchisor's current training requirements, including any refresher training programs or training requirements specifically designed for Renewal Franchisees.

6. Business Operation. Franchisee has already opened the Franchised Business before the Effective Date. Accordingly, the first sentence of section 7.6 of the Franchise Agreement, which gives Franchisee six months after the Effective Date to open the Franchised Business, is hereby deleted.

7. Minimum Annual Gross Sales. The Minimum Annual Gross Sales amount is $75,000 for a territory encompassing up to 50,000 owner-occupied households, $125,000 for a territory encompassing 50,001 to 100,000 owner-occupied households and $250,000 for a territory encompassing 100,001 or more owner-occupied households throughout the entire term of the Renewal Franchise Agreement. Section 7.7 of the Franchise Agreement is hereby amended accordingly.

8. Exclusive Relationship. Franchisee represents that, except for other HomeTeam Franchises operated under franchise agreements with Franchisor, neither Franchisee nor any Affiliate, Principal, or Remote Principal of Franchisee, nor any member of the immediate families of any Affiliate, Principal, or Remote Principal of Franchisee: (a) have any Ownership Interest in any Competitive Business; (b) have any Ownership Interest in any Person that grants franchises or licenses to others to operate Competitive Businesses; or (c) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for any Competitive Business or any Person that grants franchises or licenses to others to operate Competitive Businesses.

9. Releases. Simultaneously with the execution of this addendum, Franchisee and each of its Principals and Remote Principals must sign and deliver to Franchisor a General Release in the form attached to the Franchise Agreement as Exhibit D.

10. Transfers. The Franchise Agreement requires that Franchisor's then-current form of Franchise Agreement and ancillary agreements be executed in connection with any Transfer. Accordingly, in the event of a Transfer, the transferee will be required to sign Franchisor's standard form of Assignment and Assumption Agreement and execute Franchisor's then-current franchise agreement, which require the transferee to assume all of Franchisee's obligations under the Franchise Agreement. However, this addendum will automatically be cancelled and will no longer apply in any manner, so that the transferee will be bound by the Franchise Agreement alone, without reference to this addendum. The parties recognize that the accommodations made by Franchisor in this addendum are personal to Franchisee.

11. Remaining Terms Unaffected. All terms of the Franchise Agreement not deleted, modified or waived by this addendum remain binding on the parties.

The parties are signing this addendum on the dates below.

THE HOMETEAM INSPECTION SERVICE, INC.	BUSINESS ORGANIZATION FRANCHISEE:
By:_____	By:_____
Its:_____	Its:_____
Date:_____	Date:_____
INDIVIDUAL FRANCHISEE:	**INDIVIDUAL FRANCHISEE:**
_____	_____
Signature	*Signature*
Date:_____	Date:_____

EXHIBIT H TO THE
HOMETEAM® FRANCHISE DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS

California

Department of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, CA 98534

300 S. Spring Street, Suite 15513
Los Angeles, CA 90013

1455 Frazee Road, Suite 215
SanDiego, CA 92108

One Sansome St., #600
San Francisco, CA 94104

Connecticut

State of Connecticut
Department of Banking
Securities & Business Investments Division
Banking Commissioner
260 Constitution Plaza
Hartford, CT 06103-1800

Hawaii

Commissioner of Securities
335 Merchant Street, Room 203
Honolulu, HI 96813

Illinois

Illinois Attorney General
Office of the Attorney General
500 South Second Street
Springfield, IL 62706

Indiana

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, IN 46204

Maryland

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2021

Michigan

Corporations Division
Bureau of Commercial Services
Department of Labor and Economic Growth
P.O. Box 30054
Lansing, MI 48909

Minnesota

Commissioner of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198

New York

New York Secretary of State
99 Washington Avenue
Albany, NY 12231

North Dakota

Securities Commissioner
North Dakota Securities Department
State Capitol, Fifth Floor, Dept. 414
600 East Boulevard
Bismarck, ND 58505-0510

Ohio

Adam Long
575 Chamber Drive
Milford, OH 45150

Rhode Island

Director of Rhode Island Department of Business Regulation
Securities Division
Department of Business Regulation
Bldg. 69, First Floor
John O. Pastore Center
1511 Pontiac Avenue
Cranston, RI 02920

South Dakota

Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, SD 57501

Virginia

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

Washington

Director, Department of Financial Institutions
Securities Division
150 Israel Road S.W.
Tumwater, WA 98501

Wisconsin

Administrator, Division of Securities
201 West Washington St., 3rd Floor
Madison, WI 53703

EXHIBIT I TO THE
HOMETEAM® FRANCHISE DISCLOSURE DOCUMENT

STATE FRANCHISE REGULATORS

STATE FRANCHISE REGULATORS

California

Department of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, CA 95834 (916) 445-7205

300 S. Spring Street, Suite 15513
Los Angeles, CA 90013

One Sansome Street, Suite 600
San Francisco, CA 94104

1455 Frazee Road, Suite 315
San Diego, CA 92108

Connecticut

Securities & Business Investments Division
Department of Banking
260 Constitution Plaza
Hartford, CT 06103-1800
(860) 240-8230

Florida

Dept. of Agriculture and Consumer Services
Division of Consumer Services
227 N. Burrough Street
City Centre Building, 7th Floor
Tallahassee, FL 32301
(904) 922-2770

Georgia

Office of Consumer Affairs
2 Martin Luther King Jr. Dr., Suite 356
Atlanta, GA 30334
(404) 656-1762

Hawaii

Dept. of Commerce & Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2021

Illinois

Office of the Attorney General
Franchise Division
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana

Indiana Securities Division
302 West Washington Street
Room E111
Indianapolis, IN 46204
(317) 232-6681

Kentucky

Office of the Attorney General
Consumer Protection Division
P.O. Box 2000
Frankfort, KY 40602-2000
(502) 573-2200

Maryland

Office of the Attorney General
Securities Division
200 Saint Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

Michigan

Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
525 Ottawa Street, 6th Floor
Lansing, MI 48933
(517) 373-7117

Minnesota

Commissioner of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198
(651) 539-1600

Nebraska

Dept. of Banking & Finance
1230 O Street, Suite 400
Commerce Court
Lincoln, NE 68508
(402) 471-3445

New York

NYS Department of Law
Investor Protection Bureau
28 Liberty St., 21st Floor
New York, NY 10005
(212) 416-8222

North Carolina

Department of the Secretary of State
Securities Division
300 N. Salisbury Street
Raleigh, NC 27603-5909
(919) 733-3924

North Dakota

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

Oregon

Oregon Secretary of State
Corporation Division
255 Capitol Street, Northeast
Salem, OR 97310
(503) 986-2200

Rhode Island

Department of Business Regulation
Securities Division
John O. Pastore Complex
1511 Pontiac Avenue, Building 69-1
Cranston, RI 02910
(401) 462-9587

South Carolina

Secretary of State
1205 Pendleton Street
525 Edger Brown Building
Columbia, SC 29201
(803) 734-1958

South Dakota

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

Texas

Secretary of State
Statutory Document Section
P.O. Box 13563
Austin, TX 78711
(513) 475-1769

Utah

Department of Commerce
Division of Consumer Protection
160 East 300 South
P.O. Box 45804
Salt Lake City, UT 84145-0804
(801) 530-6601

Virginia

State Corporation Commission
Division of Securities & Retail Franchising
1300 East Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9276

Washington

Department of Financial Institutions
Securities Division
150 Israel Road, SW
Tumwater, WA 98501
(360) 902-8760

Wisconsin

Department of Financial Institutions
Division of Securities
201 West Washington Avenue, 3rd Floor
Madison, WI 53703
(608) 266-1064

EXHIBIT J TO THE
HOMETEAM® FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

THE HOMETEAM INSPECTION SERVICE, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2021, 2020 AND 2019

THE HOMETEAM INSPECTION SERVICE, INC.

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WILLEFORD CPA, LLC
619 Palestine Rd
New Richmond, OH 45157
240-422-7510

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The HomeTeam Inspection Service, Inc.
Milford, Ohio

We have audited the accompanying financial statements of The HomeTeam Inspection Service, Inc. (an Ohio corporation), which comprise the balance sheets as of December 31, 2021, 2020, and 2019, and the related statements of income, retained earnings, and cash flows for the years then ended and the related notes to the financial statements.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of The HomeTeam Inspection Service, Inc. as of December 31, 2021, 2020, and 2019, and its results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Angelica Willeford
March 21, 2022
Angelica Willeford, CPA

THE HOMETEAM INSPECTION SERVICE, INC.
BALANCE SHEETS
DECEMBER 31, 2021, 2020 and 2019

	2021	2020	2019
ASSETS			
CURRENT ASSETS			
Cash	$ 994,686	$ 904,748	$ 479,767
Receivables (Net)	12,598	2,259	232,052
Installment Notes Receivable - Current	46,154	89,409	68,148
Prepaid Expenses	-	48,340	1,367
Note Receivable - Shareholder	-	-	30,250
TOTAL CURRENT ASSETS	$ 1,053,439	$ 1,044,756	$ 811,584
FIXED ASSETS			
Computer Equipment	$ 25,441	$ 5,390	$ -
Furniture and Fixtures	67,787	67,787	60,406
Equipment	4,965	-	-
Automobile	350,751	350,751	301,896
Leasehold Improvements	-	-	-
	$ 448,944	$ 423,928	$ 362,302
Accumulated depreciation	(301,215)	(218,939)	(95,588)
TOTAL FIXED ASSETS	$ 147,729	$ 204,989	$ 266,714
OTHER ASSETS			
Installment Notes Receivable - Net of Current Portion	$ 78,927	$ 127,805	$ 113,609
TOTAL OTHER ASSETS	$ 78,927	$ 127,805	$ 113,609
TOTAL ASSETS	$ 1,280,095	$ 1,377,550	$ 1,191,907

See auditor's report and accompanying information

THE HOMETEAM INSPECTION SERVICE, INC.
BALANCE SHEETS
DECEMBER 31, 2021, 2020 and 2019

	2021	2020	2019
LIABILITIES AND STOCKHOLDER'S EQUITY			
CURRENT LIABILITIES			
Accounts Payable	$ 222,193	$ 164,953	$ 117,698
Notes Payable - Current	-	22,843	28,600
Escrow Deposits	-	-	11,184
Deferred Revenue	263,840	572,502	345,000
Franchise Contract Liabilities, Current Portion	-	-	
TOTAL CURRENT LIABILITIES	$ 486,033	$ 760,298	$ 502,482
LONG TERM LIABILITIES			
Franchise Contract Liabilities, Net of Current Portion	$ 1,554,384	$ 1,417,015	$ 1,003,673
Notes Payable - Net of Current Portion	-	33,096	81,730
TOTAL LONG TERM LIABILITIES	$ 1,554,384	$ 1,450,111	$ 1,085,403
TOTAL LIABILITIES	$ 2,040,417	$ 2,210,409	$ 1,587,885
STOCKHOLDER'S EQUITY			
Common Stock	$ 1,000	$ 1,000	$ 1,000
Retained Earnings	(761,322)	(833,858)	(396,978)
TOTAL STOCKHOLDER'S EQUITY	$ (760,322)	$ (832,858)	$ (395,978)
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 1,280,095	$ 1,377,550	$ 1,191,907

See auditor's report and accompanying information

THE HOMETEAM INSPECTION SERVICE, INC.
STATEMENTS OF INCOME
DECEMBER 31, 2021, 2020 and 2019

	2021	2020	2019
REVENUE	$ 5,040,208	$ 4,573,155	$ 3,818,614
EXPENSES			
Advertising	$ 1,054,895	$ 812,229	$ 854,075
Auto	9,106	9,090	12,961
Bad Debt Expense	2,060	6,751	23,820
Computer, Internet & Software	66,595	52,775	52,200
Consulting & Outside Services	-	-	20,833
Copies and Printing	7,573	2,553	1,533
Depreciation	82,276	123,351	70,267
Licenses & Permits	3,678	4,155	4,125
Franchise Expenses	464,747	929,995	683,812
Insurance	18,542	9,801	19,227
Leased Employees	1,884,350	1,842,238	1,629,973
Management Fees	15,625	14,649	14,852
Office & Supplies	20,508	23,136	16,654
Postage	2,225	2,505	4,109
Professional Fees	18,152	14,228	22,220
Publications, Books, & Dues	5,745	4,921	4,340
Rent	114,600	48,600	48,600
Repairs and Maintenance	28,914	47,924	19,902
Telephone	41,035	26,183	24,768
Travel	35,043	5,811	11,653
Utilities	5,264	5,367	6,076
TOTAL EXPENSES	$ 3,880,932	$ 3,986,264	$ 3,546,000
OPERATING PROFIT	$ 1,159,276	$ 586,891	$ 272,614
OTHER INCOME (EXPENSE)			
Interest Income	$ 13,026	$ 19,129	$ 16,457
Interest Expense	(561)	(4,895)	(3,557)
City Income, CAT, and Property Taxes	(34,955)	(15,545)	(10,007)
Contributions	(250)	(250)	(4,547)
Disposal of Fixed Assets	-	-	32,410
Gain on Extinguishment	-	132,789	-
TOTAL OTHER INCOME (EXPENSE)	$ (22,740)	$ 131,229	$ 30,756
NET INCOME (LOSS)	$ 1,136,536	$ 718,120	$ 303,370

See auditor's report and accompanying information

THE HOMETEAM INSPECTION SERVICE, INC.
STATEMENTS OF RETAINED EARNINGS
DECEMBER 31, 2021, 2020 and 2019

	2021	2020	2019
Balance at Beginning of Year	$ (833,858)	$ (396,978)	$ (222,652)
Net Income (Loss)	1,136,536	718,120	303,370
Distributions	(1,064,000)	(1,155,000)	(477,696)
Balance at End of Year	$ (761,322)	$ (833,858)	$ (396,978)

See auditor's report and accompanying information

THE HOMETEAM INSPECTION SERVICE, INC.
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2021, 2020 and 2019

	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (Loss)	$ 1,136,536	$ 718,120	$ 303,370
Adjustment to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities			
Depreciation	82,276	123,351	70,267
Change In			
Receivables	(10,339)	229,793	(160,229)
Prepaid Expenses	48,340	(46,973)	923
Accounts Payable	57,240	47,255	(18,595)
Escrow Account	-	(11,184)	11,180
Contract Liabilities	137,369	413,342	257,197
Deferred Revenue	(308,662)	227,502	238,400
CASH PROVIDED BY OPERATIONS	$ 1,142,761	$ 1,701,206	$ 702,513
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed Assets Acquired	$ (25,016)	$ (61,626)	$ (301,896)
Disposal of Fixed Assets	-	-	74,091
CASH (USED) PROVIDED BY INVESTING ACTIVITES	$ (25,016)	$ (61,626)	$ (227,805)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds (Payments) from Borrowings(Net)	(55,939)	(54,391)	69,176
Proceeds (Payments) Notes (Net)	92,133	(5,207)	(11,656)
Distributions	(1,064,000)	(1,155,000)	(477,696)
CASH USED BY FINANCING ACTIVITIES	$ (1,027,806)	$ (1,214,598)	$ (420,176)
CHANGE IN CASH	89,938	424,981	54,532
CASH AT BEGINNING OF YEAR	904,748	479,767	425,235
CASH AT END OF YEAR	$ 994,686	$ 904,748	$ 479,767

See auditor's report and accompanying information

THE HOMETEAM INSPECTION SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
AT DECEMBER 31, 2021, 2020, AND 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization & Operations
The HomeTeam Inspection Service, Inc. (the Company) is an S-Corporation organized under the laws of the State of Ohio on December 14, 1992. The Company was organized to promote, sell, and support franchises in North America to franchisees who provide residential inspection services to the general public under the trade name The HomeTeam Inspection Service, Inc. The Company provides a distinctive method and procedure for advertising, specially designed business forms, computer software, instructional manuals, training courses, and specially designed procedures for promotion and rendering of services.

As of December 31, 2021, 2020 and 2019, the Company had one hundred ninety six (196), one hundred eighty seven (187) and one hundred sixty nine (169) franchises operating in North America.

Use of Estimates
The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain assets, liabilities, revenues, and expenses. Certain estimates relate to unsettled transactions and events as of the date of the financial statements and relate to assumptions about the ongoing operations and may impact future periods. Accordingly, upon settlement, actual results may differ from estimated amounts.

Fixed Assets
The cost of fixed assets is depreciated over the estimated lives of the related assets which range from five to seven years. Depreciation is computed on the accelerated methods for financial reporting. Maintenance and repairs costs are charged to operations when incurred.

Income Tax Status
The Company, with the consent of its shareholders, has elected under the Internal Revenue Service to be taxed as an S-Corporation. Therefore, the profits (losses) are passed thru to the shareholders (based on ownership percentage) and they are liable for the federal and state income taxes on their individual returns. Therefore, no provision or liability for federal income taxes has been included in these financial statements.

Advertising Expense
Advertising costs are expensed as incurred.

Leased Employees
The company has contracted with a related party that leases employees. This firm has hired all the employees of the Company and is responsible for the payroll function including payroll taxes, benefits and retirement.

Marketing Fund
The Company administers a national marketing fund (the Fund) on behalf of its franchisees. Each franchisee is required to contribute to the Fund, which is used to develop advertising and marketing materials and promote the Company's service marks and the franchisees' services on a local, regional, and national basis. The Company requires franchisees to participate in the Digital Marketing Package (DMP) at a cost of $229/month.

In compliance with FASB 606, the operations of the advertising fund are included in the Company's financial statements.

NOTE B – REVENUE RECOGNITION

The Company charges franchise fees on a sliding scale based on the size of the territory, with a minimum fee of $35,000. Additional territories sold to current franchisees are discounted. The Company offers financing on up to 50% of the franchise fee; these notes bear interest from 5 to 12% per annum and payments commence after the completion of training. Franchisees are required to pay continuing royalty based on their gross revenues on a weekly basis, which covers continued use of the Company's brand and service marks. Franchise agreements have a 10-year term and can be renewed for additional 10-year terms at a cost of $2,500 per term.

The Company has determined that the new revenue recognition standard (FASB 606) will impact the timing of its recognition of franchise fees and has elected to apply the practical expedient for franchisors. The Company has divided its performance obligations into two components: upfront training obligations (satisfied AT a point in time) and obligations under the ongoing franchise agreement (satisfied OVER a period of time.)

The Company has identified its initial training program as a separate and distinct element of its contract satisfied at a point in time because upon completion, the franchisee has full knowledge of the Company's proprietary methods. Further, most of the Company's direct costs are associated with the recruiting and training of franchisees. The Company calculated the upfront revenue by adding up the direct costs associated with training a franchisee, so the timing of revenue recognition would match the expenses. The fixed costs are $3,617 per franchise, with variable costs ranging from $22,740 to $28,560. Based on this calculation, the Company is claiming upfront revenue averaging about 45% of the franchise fee for new franchisees; and 8% for additional territories purchased by current franchisees (which are much lower in cost as the franchisee has already been trained.) The contract liability resulting from the income deferral will be amortized on a straight-line basis over the remaining nine years of the contract.

The Company started recognizing franchise fee revenue under the new method on January 1, 2019, using the full retrospective method to restate franchise fee income for prior years. For the years ended 2021, 2020 and 2019, franchise fee income includes the following:

	2021	2020	2019
Franchise Fee Income Earned	$1,005,400	$1,525,556	$1,038,401
Less: CY Contract Liability Deferral	(385,295)	(515,017)	(344,706)
Plus: Prior Years Deferral Recognized	177.678	123,563	87,509
Franchise Fee Income Recognized	$797.783	$1,134,102	$781,204

The following are components of revenue under the new revenue recognition standard:

	2021	2020	2019
Royalty Income	$2,003,078	$1,722,509	$1,452,599
Franchise Fee Income	797,783	1,134,102	781,204
NAF Deposits	1,553,664	1,176,494	1,109,381
Other	685,683	540,049	475,430
TOTAL	$5,040,208	$4,573,155	$3,818,614

NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the Company's cash deposited in the bank. The Company has no other assets that would be classified as a cash equivalent. At December 31, 2021, 2020, and 2019, the cash in the bank consisted of the following:

	2021	2020	2019
Corporate	$150,315	$182,784	$71,080
National Advertising Fund	844,371	721,964	408,687
	$994,686	$904,748	$479,767

At December 31, 2021, 2020 and 2019, the Company did not have cash in excess of insured limits.

NOTE D - RECEIVABLES (NET)

Receivables are the royalties/advertising fees due from the franchisees. An allowance for bad debt has been provided since management expects some losses. At December 31, 2021, 2020, and 2019, receivable consisted of the following:

	2021	2020	2019
Corporate – Royalties Receivable	$7,644	$1,108	$208,788
NAF – Ad Fees Receivable	4,954	1,151	23,264
	$12,598	$2,259	$232,052

NOTE E - INSTALLMENT NOTES RECEIVABLE

Installment notes receivable represents the financing from the Company to the franchisees. These notes bear interest from 5 to 9.5% per annum and payments commence after the completion of training. No allowance for bad debt has been provided since management does not expect losses.

NOTE F – DEFERRED REVENUE and ESCROW DEPOSITS

Deferred Revenue is franchise fees received from new franchisees who have not yet been trained. Once the franchisee is trained, part of this amount will be recognized as franchise fee revenue, and part will be reclassified to franchise contract liabilities and recognized over a 10-year period – please see Note A for a full explanation of the calculation. Escrow deposits are advertising fund deposits that have been received from new franchisees that have not yet been trained. Once a franchisee is trained, the deposits are recognized as revenue of the marketing fund.

NOTE G - STOCKHOLDER'S EQUITY

Common Stock

Common stock of one hundred (100) shares has been authorized and outstanding at December 31, 2021, 2020, and 2019. There is no par value for this stock.

NOTE H - RELATED PARTIES

The Company pays a related party, Hopper Hill Farm a total amount of $60,000 annually for franchisee training. Hopper farm is 100% owned by the shareholder of this Company.

The Company is using a related party, United Mercantile Corporation, to pay all expenses that are used in common with Trigon Imaging, a related party that shares the office space. United Mercantile and Trigon Imaging are both owned 100% by the shareholder of this Company. The Company is billed for payroll, rent, utilities, and other shared office expenses. These reimbursements have been recorded in the specific expense categories and are included in the accompanying financial statements:

Purchased from Related Parties	2021	2020	2019
Leased Employees	$ 1,908,948	$ 2,141,280	$ 1,397,648
Insurance	16,477	10,072	12,352
Rent	48,600	48,600	48,600
Utilities	5,264	5,367	6,076
Professional Fees	7,260	3,146	4,400
Telephone	9,122	18,472	18,613
Office and Supplies	8,519	8,704	7,564
Publications, Books and Dues	-	390	2,206
Auto	1,832	890	1,816
Management Fees	14,224	14,649	14,852
Repairs and Maintenance	14,182	7,906	13,543
Computer, Internet & Software	8,181	14,009	13,368
Postage	1,190	1,690	531
Printing and Copies	6,511	1,492	677
Training, Meetings & Seminars	1,753	376	470
Franchise Packages	-	2,129	6,215
Travel	-	-	300
Taxes	18,174	8,539	8,550
	$ 2,070,237	$ 2,287,711	$ 1,557,781
Due to Related Parties in Accounts Payable	$ 54,385	$ 41,111	$ 53,494

NOTE I - LONG TERM DEBT

In May 2019, the Company borrowed money to purchase a vehicle. The loan was for $67,852 and was to be paid back over sixty months at an interest rate of 4.54%. The Company made accelerated payments and paid the loan in full in July 2020.

In November 2019, the Company borrowed money to purchase a vehicle. The loan was for $77,866 and was to be paid back over sixty months at an interest rate of 2.99%. The Company made accelerated payments and paid the loan in full in April 2021.

In June 2020, the Company borrowed money to purchase a vehicle. The loan was for $38,891 and was to be paid back over sixty months at an interest rate of 0.9%. The Company made accelerated payments and paid the loan in full in August 2021.

The remaining maturities on these notes are as follows:

	Nov 2019 Note	Jun 2020 Note
2021	15,139	7,703
2022	8,720	7,773
2023	-	7,844
2024	-	7,914
2025	-	846
	$23,859	$32,080

NOTE J - COMMITMENTS

The Company has a one-year lease with a related party to rent office space located in Ohio, that expires December 31, 2022. Office rent expense for December 31, 2021, 2020, and 2019 was $48,600 for each year.

The Company has a one-year lease with a related party to rent office space located in Florida, that expires December 31, 2022. Office rent expense for December 31, 2021 was $66,000 for each year.

NOTE K – SUBSEQUENT EVENTS

Management has evaluated events through March 21, 2022, the date on which the financial statements were available for issue. The Company did not have any events after December 31, 2021 through March 21, 2022 to disclose.

EXHIBIT K TO THE
HOMETEAM® FRANCHISE DISCLOSURE DOCUMENT

FRANCHISEE LIST

Franchisees as of December 31, 2021

State	City	Last Name	First Name	Address 1	Office Phone	Units		ZIP Code
AK	Anchorage	Lewis	Rex	PO Box 230266	(907) 694-8326	1		99523
AL	Madison	Handback	Stephen	104 Meadowglen Drive	(256) 721-3330	1		35757
AR	Cabot	Moses	Jeff	128 Sexton Drive	(501) 588-4344	1		72023
AR	Paragould	Ewald	James	2511 Chadwick	(870) 934-8987	1		72450
AZ	Cold Canyon	Riley	Ronald	8256 E. Twisted Leaf Drive	(480) 205-9300	1		85118
AZ	Mesa	Andrews	Tracy	7339 E. Navarro Avenue	(480) 546-8040	1		85209
AZ	Tucson	Tewell	David	8061 N. Hobby Horse Court	(217) 855-9767	1		85741
CA	Camarillo	Lavin	Jose	3625 E. Stiles Avenue	(805) 482-3302	2		93010
CA	Chula Vista	Edwards	Brian	1182 Hanford Court	(619) 213-2630	1		91913
CA	Costa Mesa	Luckett	Steve	2855 Pinecreek Dr., Apt. D307	(949) 350-5128	1		92626
CA	El Cajon	Patrick	Jim	987 Melissa Park Terrace	(619) 330-7171	1		92021
CA	Fremont	Chung	James	4934 Nelson Street	(510) 441-0788	1		94538
CA	Fresno	Piini	Scott	1542 W. Calimyrna Avenue	(559) 276-4200	1		93711
CA	Moreno Valley	Aguiar	Cynthia	10211 Fernleaf Drive	(951) 877-4545	1		92557
CA	Oceanside	Kulinski	Jason	315 Canyonside Way, Apt. 300	(760) 346-8668	1		92058
CA	Santa Monica	Clancy	Chris	1833A Euclid Street	(630) 975-3707	1		90404
CA	Trabuco Canyon	Brunelle	John	21005 Sky Country Circle	(949) 713-1370	1		92679
CA	Yorba Linda	Hardesty	Kile	20800 Circulo Bajo	(714) 442-2626	1		92887
CO	Aurora	Burns	Tim	11438 E. Amherst Circle S.	(303) 503-0457	1		80014
CO	Carbondale	Huttenhower	Richard	P.O. Box 1994	(970) 963-9238	1		81623
CO	Colorado Springs	Whitbeck	Scott	9250 Dunhill Court	(719) 598-7633	1		80920
CO	Denver	Ammon	Dale	2750 S. Wadsworth Blvd., C200-7	(303)529-0333	1		80227
CO	Johnston	Diede	Nicklaus	4360 Thompson Parkway	(970) 622-0760	1		80918
CO	Monument	Bruchs	Michael	916 Caribou Drive W	(303) 954-4453	1		80132
CT	West Simsbury	Zimmel	Michael	21 Stockade Road	(860) 588-3862	1		06092
FL	Apopka	White	Bruce	4008 Loblolly Oak Lane	(407) 801-7233	1		32712
FL	Crystal River	Holland	Josh	1645 S. Fishcreek Point	(352) 564-8326	2		34428
FL	Fleming Island	Hill	Ronald	2460 Stoney Glen Drive	(512) 638-9297	1		32003
FL	Ft. Myers	Jurek	William	6338 Presidential Ct., Ste. 103	(239) 489-3334	2		33919
FL	Inlet Beach	Burton	Mike	23 Cam Cove	(734) 308-8580	1		32461
FL	Ocala	Blankenship	Daniel	2525 SE 50th Terrace	(352) 694-8201	1		34471
FL	Pace	Leard	Mark	4320 Fred Lane	(850) 308-5515	1		32571
FL	Pompano Beach	Conroy	Colin	2641 E. Atlantic Blvd, Ste. 306	(954) 941-1602	12		33062
FL	Port Charlotte	Mahoney	Thomas	802 Forest Hill Lane NW	(941) 316-0557	1		33948
FL	Sarasota	Carroll	Rich	6803 Wagon Wheel Circle	(253) 219-6463	1		34243
FL	Sun City Center	Ackerman Family Enterprises, LLC		324 Siena Vista Place	(813) 632-0550	5		33573
FL	Vero Beach	Barker	Douglas	P.O. Box 1296	(772) 569-3969	1		32961
FL	Vero Beach	Robinson	Matt	795 Sarina Terrace SW	(828) 699-9457	1		32968
FL	Yulee	Hanneman	Adam	86083 Venetian Avenue	(904) 479-9393	1		32097
GA	Appling	Bragg	Brice	6594 Cobbham Road	(706) 836-1429	1		30802
GA	Dawsonville	Laurin	Joe	6285 Countryland Drive	(678) 267-9004	1		30534
GA	Douglasville	Kerst	Jeff	475 Friendship Church Road	(678) 491-6794	1		30134
GA	Jackson	Hyde	James	116 White Oak Drive	(478) 569-1212	1		30233
GA	Johns Creek	Ming	Steven	11695 Johns Creek Parkway, Ste 100	(678) 293-8474	1		30097
GA	Newnan	Williams	Henry	87 Drews Ridge Drive	(404) 641-1501	1		30263
GA	Rome	Irmscher	Scott	3 Central Plaza #440	(678) 486-7773	1		30161
GA	Savannah	Cox	Robert	1313 Grace Drive	(912) 313-9991	1		31406
IA	Urbandale	May	Toby	7316 Goodman Drive	(515) 771-7380	1		50322
ID	Nampa	Choy	Benny	3017 Westview Lane	(208) 463-7674	1		83686
IL	Antioch	Carbonara	Terry	41285 N. Westlake Avenue	(847) 951-8000	1		60002
IL	Chicago	Jozefiak	Cary	1307 W. Wrightwood Avenue, #201	(262) 909-1206	1		60610
IL	Evanston	Smith	Shane	1224 Florence Avenue	(847) 722-8853	1		60202
IL	Frankfort	Greenwood	Douglas	20326 S. Grand Prairie	(815) 806-3047	1		60423
IL	Hoffman Estates	Ruszkowski	Michael	1005 Cobble Hill Ct.	(630) 200-3952	1		60169
IL	Homer Glen	Dybala	Robert	13017 W. Hiawatha Dr.	(708) 645-5696	1		60441
IL	Lake Zurich	Miehlke	Edward	1524 Coral Reef Way	(847) 719-1329	1		60047
IL	Pingree Grove	Crout	Charlie	2429 Bella Drive	(847) 452-4148	1		60140
IN	Carmel	HTIS-Indianapolis, LLC		200 S. Rangeline Road, Ste. 209	(765) 279-8000	3		46032
IN	Indianapolis	Crane	Lea	3174 N. Delaware St.	(317) 577-1100	1		46205
KS	Hutchinson	Meyer	Monty	312 W. 16th Avenue	(620) 664-8400	1		67501
KS	Leawood	Faulconer	Michael	9612 High Drive	(913) 642-3515	1		66206
KS	Topeka	Blick	Maurie	317 SW Franklin Street	(785) 235-8811	1		66006
KS	Wichita	Lee	David	8102 Westlawn Circle	(316) 734-0228	1		67212
KY	Ashland	Gambill	John	800 Comanche Court	(606) 324-4547	1		41102
KY	Lexington	Cunningham	Steven	1762 Normandy Road	(859) 276-6221	1		40504-2225
KY	Louisville	Lawler	Bradley	9900 Corporate Campus Dr., Ste. 3000	(502) 357-0813	2		40223
LA	Shreveport	Jones	Sherricka	1009 Waters Edge Circle	(318) 564-9606	1		71106
MA	Auburn	Bonzey	Charlene	16 Eaton Avenue	(774) 249-0916	2		01501
MA	Newton Highlands	Taurisano	Massimo	1005 Boylston Street	(857) 344-0777	1		02461
MD	Elkridge	Baker	Michael	6356 Beechfield Avenue	(301) 830-0618	1		21075
MD	Lanham	Moore	Dwayne	9015 Spring Avenue	(301) 552-5511	2		20706
MD	New Market	Nelson	Kenneth	5703 Meyer Avenue	(301) 788-6608	1		21774
MD	Rockville	Gunn	Willie	819 Westmore Avenue	(240) 913-8484	1		20850
MI	Ann Arbor	Cane	Adam	1865 Addington Lane	(734) 546-7749	2		48108
MI	Clinton Township	Brown-Borden	Scott	20900 Kline Drive	(586) 690-7084	1		48038
MI	Galesburg	Gunia	Brian	8440 E. Main Street	(269)370-2465	1		49053
MI	Grand Blanc	Worrell	David	8359 Parkside Drive	(248) 255-7885	1		48439
MI	Howell	McMahan	Ryan	5427 Stone Garden Drive	(248) 342-5323	1		48843
MI	Jackson	Ulicny	Jeff	905 Bittersweet Street	(517) 812-1945	1		49203
MI	Saint Clair Shores	Gorczewicz	Kyle	22522 Downing Street	(586) 242-1838	1		48080
MN	Andover	Day	Robert	13482 Martin Street NW	(612) 701-6744	1		55304

MN	Bloomington	Lee	Jacque	7900 International Dr., Suite 300	(651) 432-4016	1		55425
MN	Pequot Lakes	Holm	Kyle	34043 W. Clear Lake Road	(218) 825-7372	1		56425
MN	St. Michael	Keister	Jim	14086 45th Court NE	(612) 254-7181	1		55376
MO	Excelsior Springs	Woods	Lloyd	3015 Maplewood Drive	(816) 637-4600	1		64024
MO	Lees Summit	Cline	Dan	1619 NE Springwood Drive	(913) 927-2964	1		64086
MO	St. Charles	Vogel	Steve	117 Hickory Dale Drive	(636) 579-6290	1		63304
MO	Wildwood	Arnett	Dennis	17725 Melrose Road	(314) 732-5954	1		63038
NC	Charlotte	Glaouberman	Viktor	9212 Treehaven Drive	(704) 847-4587	1		28270
NC	Matthews	Everett	Chad	100 Sandymead Road	(704) 727-2336	1		28105
NC	Raleigh	Roberson	Ed	8311 Brier Cr. Pkwy., Ste. 105-135	(919) 446-3021	2		27617
NC	Raleigh	Tinstman	David	5115 Isabella Cannon Drive	(704) 621-9569	1		27612
NC	Wilmington	Egan	Philip	800 Elk Trail Drive	(910) 790-9200	1		28409
NC	Winston-Salem	Branyon	Drew	5540 Stone Crossing Drive	(336) 645-5112	3		27104
NE	Lincoln	Hamik	Richard	3219 Plymouth Avenue	(402) 488-8112	1		68502
NH	Hudson	Young	Jason	16 Garrison Farm Road	(603) 321-5370	1		03051
NJ	Budd Lake	McEntee	Lawrence	22 Aldersgate Circle	(973) 945-3935	1		07828
NJ	Closter	Sharf	Craig	38 Dana Place	(201) 767-2070	1		07624
NJ	Howell	Moran	Jorge	18 Capitol Reef Road	(732) 705-6464	1		07731
NJ	Woodstown	Grenier	Fran	138 South Main Street	(856) 454-3090	2		08098
NV	Las Vegas	Dyer	Eric	674 Chepstow Avenue	(702) 781-3292	1		89178
NV	Las Vegas	Hawks	Gary	7233 Gentle Valley	(203) 395-1279	1		89149
NY	Auburn	Baranick	John	2839 White Birch Lane	(315) 252-7466	1		13021
NY	Croton-on-Hudson	Hemchand	Danny	18 Scenic Drive, Apt. T	(914) 898-9393	1		10520
NY	Floral Park	Gridley	John	P.O. Box 20153	(516) 488-1132	1		11002
NY	Pittsford	Tremaine	Steven	18 Guilford Way	(585) 218-0390	1		14534
OH	Ashtabula	Burns	Harold	6128 New London Rd.	(440) 969-7480	1		44004
OH	Canton	Martin	Joshua	6855 Amsel Avenue	(330) 936-3758	1		44721
OH	Columbus	Moarefdoust	Max	1395 E. Dublin Granville Rd., Ste 204	(614) 701-7680	3		43229
OH	Goshen	Helton	Jonathan	2066 State Route 28	(513) 625-8659	2		45122
OH	Hudson	Sizemore	John	5154 Darrow Road	(440) 600-1083	1		44236
OH	Milford	Snyder	Andrew	5580 Hoffman Rd.	(513) 528-4600	1		45150
OH	Milford	Snyder	Andrew	5580 Hoffman Rd.	(513) 528-4600	1	territory in KY	45151
OH	Tipp City	Howard	Stephen	1356 N. Countyline Rd.	(937) 414-0181	1		45371
OK	Yukon	Bombardiere	Geno	705 S. Mustang Rd. #169	(405) 413-4062	1		73099
OR	Aloha	Huppi	Michael	5890 SW 191st Ave.	(503) 530-8306	2		97007
OR	West Linn	Langford	Gregory	18695 Midhill Circle	(503) 675-7979	1		97068
PA	Doylestown	Hughes	Steven	270 Old New Road	(215) 760-5537	1		18901
PA	Erie	Koloskee	David	4021 W. 12th Street	(814) 835-0388	1		16505
PA	Gilbertsville	Foglia	Michael	1406 Village Green Drive	(803) 413-8131	1		19525
PA	Reading	Otero	Ulises	772 North Church Road	(484) 339-4242	1		19608
PA	W. Homestead	Fonos	Raymond	1216 Edgewood Drive	(412) 461-8273	1		15120
SC	Blythewood	Williams	Evan	1428 Blythewood Rd.	(954) 632-7532	1		29016
SC	Hilton Head Island	Costa	Donna	13 Sparwheel Lane	(843) 290-4333	1		29926
SC	Myrtle Beach	Klepper	Elizabeth	7452 Springside Drive	(843) 494-5445	1		29588
SC	Summerville	Goodman	Roger	2215 Hummingbird Lane	(843) 871-7549	1		29483
SD	Tea	Graham	Jared	27220 Lovely Place	(605) 937-5600	1		57064
SD	Watertown	Oletzke	Michael	P.O. Box 714	(605) 884-0701	1		57201
TN	Jonesborough	Malyar	Curt	4096 Greenwood Drive	(423) 483-6635	1		37659
TN	Lakeland	Thompson	Brandon	9306 Canabridge Dr.	(901) 562-0988	1		38002
TN	Ooltewah	Putman	Robert	4006 Banner Crest Drive	(423) 362-8326	1		37363
TN	Smyrna	Baker	Ronald	P.O. Box 1763	(615) 223-1675	1		37167
TN	Spring Hill	Porter	Joseph	3451 Mahlon Moore Road	(615) 469-1236	1		37174
TX	Amarillo	Chavez	Daniel	5702 Foxcroft Drive	(806) 679-7236	1		79109
TX	Beaumont	Carr	Curtis	6550 Concord Road	(409) 838-5440	1		77708
TX	Colleyville	Lockamy	Dale	1905 Camden Court, P.O. Box 777	(817) 453-8898	4		76034
TX	Georgetown	Poulain	Marc	229 Dorado Street	(737) 444-2301	1		78628
TX	Houston	Foote	Andrew	11999 Katy Freeway, Ste. 150K	(281) 783-8282	1		77079
TX	Houston	Jones	Jerry	6405 Brittmoore Road, Suite 16	(281) 612-4075	1		77041
TX	Humble	Jones	Dave	19015 Match Play Drive	(281) 299-0571	2		77346
TX	Lufkin	McElroy	James	3701 Ellen Trout, Ste. #1	(936) 634-7640	1		75904
TX	Odessa	Hogan	Joseph	3141 N. Hancock Avenue	(405) 496-5052	1		79762
TX	Pasadena	Holley	Tyler	3105 Genoa Red Bluff	(832) 810-0099	1		77505
TX	Spring	Wiesner	Robert	9710 Ballin David Drive	(832) 410-4087	1		77379
TX	Taylor	Chenoweth	Chuck	135 Hazeltine Drive	(512) 704-7505	1		78628
TX	Texarkana	Pfluger	Bryan	1959 F.M. 559	(903) 223-1144	1		75503
TX	Willis	Oetken	Jeff	12096 Lakeview Manor Drive	(936) 207-4222	1		77318
UT	Murray	Smith	David	1277 W. Sophia Cir.	(801) 486-5055	1		84123
UT	Spanish Fork	Edwards	Mike	3003 West 6000 South	(801) 770-0403	1		84660
VA	Alexandria	Craig	Carl	8030 Washington Road	(571) 765-7799	2		22308
VA	Arlington	Mitchell	Roland	1200 N. Herndon St., Apt. 1114	(202) 552-0085	1		22201
VA	Richmond	Spiers	Jarratt	1302 Stoneycreek Drive	(804) 533-5338	1		23238
VA	Spotsylvania	Harvey	Robert	7411 Snow Hill Drive	(540) 582-5036	1		22551
WA	Four Lakes	Jorgenson	Randall	P.O. Box 64	(909) 663-8090	1	territory in WA	99014
WA	Four Lakes	Jorgenson	Randall	P.O. Box 64	(909) 663-8090	1	territory in ID	99014
WA	Mukilteo	Lytton	Kyle	6306B Webster Way	(206) 765-0334	1		98275
WA	Prosser	Dunnington	John	23516 S. 1545 PR SW	(509) 643-0002	1		99350
WA	Tacoma	Geris	Jason & Tom	1813 74th Street East	(253) 330-5441	1		98404
WI	Waterford	Sholly	Kurt	31407 Hickory Hollow Road	(262) 497-4187	1		53185
WI	West Bend	Scott	Ian	1901 Tumbleweed Circle	(414) 455-2997	1		53095
Canada								
ON	Belleville	Henry	Michael	81 Cascade Blvd.	(613) 968-4114	1		K8P 4L6

EXHIBIT L TO THE
HOMETEAM® FRANCHISE DISCLOSURE DOCUMENT

FRANCHISEES WHO HAVE LEFT THE SYSTEM

Franchisees that left the system in 2021

State	City	First Name	Last Name	Office Phone	Units	Reason for Leaving System
LA	Rayne	Gaspaard	Teena	(337) 334-5628	1	Ceased to conduct business
MD	Chester	Schreiber	James	(410) 643-9160	1	Retired
NE	Omaha	Campbell	Reece	(402) 809-1033	1	Ceased to conduct business
NM	Rio Rancho	Utzman	Christopher	(505) 899-4608	1	Deceased
PA	Bethel Park	Campbell	Terry	(412) 831-5544	1	Retired
PA	Williamsburg	Barroner	Shelly	(814) 832-2226	1	Retired
ON	Long Sault	Smith	Mary-Lee	(613) 932-2261	1	Retired

EXHIBIT M TO THE
HOMETEAM® FRANCHISE DISCLOSURE DOCUMENT

TABLE OF CONTENTS OF OPERATIONS MANUAL

OPERATIONS MANUAL
TABLE OF CONTENTS

Title	No. of Videos	No. of Pages
Overview of HomeTeam Operations	1	
Business Administration	11	13
Staffing		32
Strategic Partners		6
Budgeting		5
Legal		5
Accounting		2
Overview of the HomeTeam Inspection	1	
Inspection Processes		11
Inspection Support		5
Report Writing	4	4
Overview of HomeTeam Sales	1	
Sales Software		8
Sales Processes		4
Sales Collateral and Presentations		4
Overview of HomeTeam Marketing	1	
Marketing Strategy		62
Digital Marketing	6	7
Email		3
Social Media		3
Tradeshows		2

The total number of pages in the manual is 176 to include 25 instructional videos

EXHIBIT N TO THE
HOMETEAM® FRANCHISE DISCLOSURE DOCUMENT

STATE-SPECIFIC ADDENDUM

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

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

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

Except as provided above, with regard to 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 franchises and the size, nature or financial condition of our franchise system or our 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 license as a real estate broker or sales agent.

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

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

4. The following language replaces the "Summary" section of Item 17(d), titled **"Termination by franchisee"**:

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

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

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

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

The following provisions of the Franchise Agreement are amended as hereinafter set forth to comply with Article 33 of the General Business Law of New York and the New York State Franchise Regulations:

1. NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY, ALL RIGHTS ARISING IN FRANCHISEE'S FAVOR FROM THE PROVISIONS OF ARTICLE 33 OF THE GENERAL BUSINESS LAW OF NEW YORK AND THE REGULATIONS ISSUED THEREUNDER SHALL REMAIN IN FORCE, IT BEING THE INTENT OF THIS PROVISION THAT THE NON-WAIVER PROVISIONS OF GENERAL BUSINESS LAW SECTIONS 687.4 AND 687.5 BE SATISFIED.

2. Franchisee may terminate this Agreement upon any grounds available by law.

The parties are signing this addendum simultaneously with the Franchise Agreement to which it is attached.

THE HOMETEAM INSPECTION SERVICE, INC.	BUSINESS ORGANIZATION FRANCHISEE:
By:_____	By:_____
Title:_____	Title:_____
Date:_____	Date:_____
INDIVIDUAL FRANCHISEE:	**INDIVIDUAL FRANCHISEE:**
_____	_____
Signature	*Signature*
Date:_____	Date:_____

STATE EFFECTIVE DATES

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

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

	State Effective Date
California	
Florida	
Hawaii	Not Registered
Illinois	
Indiana	
Kentucky	Effective
Maryland	
Michigan	
Minnesota	
Nebraska	Effective
New York	
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	
Texas	Effective
Utah	
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.

Item 23. RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If HomeTeam offers you a franchise, they must provide this disclosure document to you 14 days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York 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.

If HomeTeam does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed on Exhibit I.

The name, principal business address and telephone number of each franchise seller offering the franchise is: Paul Spires, (Founder); Adam Long (President); Matt Cook (Franchise Development); and Sara Pettit (Legal Support) all at 575 Chamber Drive, Milford, Ohio 45150, (513) 831-1300, and:

Issuance Date: April 1, 2022

Our registered agents authorized to receive service of process for us are listed in Exhibit H.

I have received a disclosure document dated April 1, 2022. This disclosure document included the following Exhibits:

A	Franchise Agreement	H	Agents for Service of Process
B	Irrevocable Power of Attorney	I	State Franchise Regulators
C	Guaranty and Assumption of Obligations	J	Financial Statements
D	Nondisclosure and Noncompetition Agreement	K	Franchisee List
E	Promissory Note	L	Franchisees Who Have Left the System
F	Franchisee Disclosure Questionnaire	M	Table of Contents of Operations Manual
G	Addendum for Renewal Franchise Agreement	N	State-Specific Addendum

Date	Signature	Print Name
Date	Signature	Print Name

KEEP THIS COPY FOR YOUR RECORDS

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Date	Signature	Print Name
Date	Signature	Print Name

Return to: **THE HOMETEAM INSPECTION SERVICE, INC., 575 Chamber Drive, Milford, Ohio 45150**