FRANCHISE DISCLOSURE DOCUMENT

LIFETIME BLINDS INC.
A California Corporation
51555 Desert Club Drive, Suite 100
La Quinta, California 92253
(760) 778-6978
E-Mail: mark@lifetimeblinds.com
URL: www.lifetimeblinds.com

LIFETIME BLINDS

As a Lifetime Blinds franchisee you will operate a retail outlet providing customized window blinds, shutters, window coverings and related products and accessories sold to retail customers and installed at the customer's residence or other location.

The total investment necessary to begin operation of a Lifetime Blinds outlet is $27,750 to $90,000. This includes $10,000 to $25,000 which must be paid to the franchisor or its affiliates. FBBC may also offer you an Area Development Agreement granting a right to open one or more additional Outlets for an additional investment (Development Fee) of $5,000 to $12,500 for each additional Outlet you commit to open, which must be paid to the franchisor.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Mark Huckins at 51555 Desert Club Drive, Suite 100, La Quinta, California 92253; telephone (760) 778-6978.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, such as 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 homepage at *www.ftc.gov* for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issued: **June 20, 2017 (amended July 13, 2017).**

CA

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with the state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit F for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

THE FRANCHISOR IS A DEVELOPMENT STAGE COMPANY WITH LIMITED OPERATING HISTORY. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE.

ALTHOUGH YOU WILL RECEIVE AN EXCLUSIVE TERRITORY, YOU MAY FACE COMPETITION FOR CUSTOMERS FROM OTHER FRANCHISEES OUTSIDE YOUR TERRITORY, FROM OUTLETS THAT WE OWN OUTSIDE YOUR TERRITORY, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL.

AT FRANCHISOR'S DISCRETION, YOUR EXCLUSIVE TERRITORY MAY BE LOST IF YOU DO NOT FULFILL MATERIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT.

THE FRANCHISOR MAY CANCEL THE FRANCHISE AGREEMENT IF A SITE IS NOT AGREED UPON WITHIN 180 DAYS OF YOUR SIGNING THE FRANCHISE AGREEMENT.

BEGINNING THE 13 FULL CALENDAR MONTH AFTER THE DATE YOUR OUTLET OPENS, YOU MUST EARN GROSS REVENUES OF AT LEAST $10,000 EACH MONTH. FAILURE TO DO SO MAY RESULT IN THE TERMINATION OF THE FRANCHISE AGREEMENT.

IF YOU SIGN AN AREA DEVELOPMENT AGREEMENT, YOUR TERRITORIAL RIGHTS UNDER THAT AGREEMENT CAN BE LOST IF YOU FAIL TO MEET THE DEVELOPMENT SCHEDULE.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

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

This franchise is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California	__________

ITEM 1: <u>THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES</u>

To simplify the language, this disclosure document uses "we" or "us" to mean Lifetime Blinds Inc. "You" means the individual or entity buying the Lifetime Blinds franchise and, if an entity acquires the franchise, all persons who own 20% or more of the franchisee entity ("Principal Equity Owners").

The Franchisor, Parents and Affiliates

We are the franchisor for the Lifetime Blinds system. Our principal business address is 51555 Desert Club Drive, Suite 100, La Quinta, California 92253.

We have no parent entity.

We are not controlled by, controlling, or under common control with any other entity that (i) provides or may provide goods or services to our franchisees or (ii) offers franchises in any line of business.

Predecessors

We have no predecessor.

Name Used by the Franchisor

We currently or intend to conduct business under the names "Lifetime Blinds", "Uber Blinds" and "Retired Miniblind Installer". We do not intend to use any other names to conduct business.

Agent for Service of Process

Our agent for service of process in California is Mark Huckins, whose address is 51555 Desert Club Drive, Suite 100, La Quinta, California 92253.

Business Organization Used by the Franchisor

We are a corporation organized in California on March 22, 2017.

The Franchisor's Business

We act solely as a franchisor of Lifetime Blinds franchises. We have not yet begun franchising, but expect to do so in April 2017. We do not operate businesses of the type being franchised, and we do not engage in other business activities.

The Business the Franchisee Will Conduct

The Lifetime Blinds franchise is a license to independently own and operate a single retail business ("Outlet") that provides customized window blinds, shutters, window coverings and related products and accessories sold to retail customers and installed at the customer's residence or other location (collectively, "Lifetime Blinds Products and Services") and other goods and services to authorized customers within a designated and agreed geographical area ("Territory") under the service mark Lifetime Blinds (the "Mark"), operating from a home office or executive office suite we approve, and using designated business methods and procedures.

If you want to and are financially and operationally qualified in our judgment to do so, you and we may enter into an Area Development Agreement ("ADA"), under which you will be granted the opportunity to develop a number of additional Outlets under a mutually agreed timetable and within a negotiated development area. The form of ADA is attached as Exhibit E to this disclosure document. When you open an additional Outlet under the ADA, you must enter into our then current form of Franchise Agreement for that additional Outlet.

General Market for Franchised Products and Services

The general market in which you will operate the business involves providers of customized window blinds, shutters, window coverings and related products and accessories. The market for Lifetime Blinds Products and Services involves homeowners, renters, commercial enterprises, government agencies and small businesses in the Territory. This type of business is fully developed and is not seasonal.

Industry Specific Laws or Regulations

You will need a business license and reseller's permit and you must comply with federal, state and local laws applicable to the operation and licensing of a business offering Lifetime Blinds Products and Services. You may be required to have a validly issued state contractor's license to operate a Lifetime Blinds franchise in your state (please see Exhibit H to this disclosure document). You are responsible for investigating the availability and requirements for obtaining all necessary licenses in your state (and if applicable city and county) as well as complying with applicable federal and state laws. You are strongly encouraged to engage competent local counsel to assist you with compliance with all laws and regulations that may affect your operation of the Outlet.

Competition

The customized window blinds, shutters and window coverings market is very well developed and highly competitive. You will compete with many other providers of customized window blinds, shutters and window coverings, including chain stores such as Home Depot and Lowe's, franchise chains such as Budget Blinds and 3 Day Blinds, local individual businesses and on-line retailers.

Prior Experience of Franchisor, Predecessors and Affiliates

The original Lifetime Blinds business was founded in November 2015, by our President and Chief Executive Officer Mark Huckins, who also owns the Mark and related intellectual property being licensed to you. Mr Huckins currently owns and operates a business located at 51555 Desert Club Drive, Suite 100, La Quinta, California 92253, which provides Lifetime Blinds Products and Services and blind repair and installation services under the brand name "Retired Miniblind Installer".

We have never offered franchises in other lines of business. We do not operate businesses of the type being franchised. We do not engage in other business activities.

ITEM 2: BUSINESS EXPERIENCE

Mark Huckins: Chief Executive Officer, President and Director.
Mr. Huckins is the founder of the Lifetime Blinds concept. He was named Chief Executive Officer, President and Director at our inception in March 2017. Mr. Huckins also owns and operates as a sole proprietor a Lifetime Blinds business in Palm Springs, California (since November 2015). From October 2009 to November 2015, he served as Franchise Development Liaison for Budget Blinds, Inc. (an entity he co-founded), Santa Ana, California. In this capacity, he assisted with marketing, franchise licensing, business support and supervising the Troops in Transition Veteran program, which assists military service members and their spouses transitioning into civilian status to become franchisees. Mr. Huckins also founded Mr. Miniblind (a national franchisor of window blinds, shutters and window coverings franchises) in March 1985.

Aaron P. Young: Chief Financial Officer, Secretary and Director.
Mr. Young was named our Chief Financial Officer, Secretary and Director at our inception in March 2017. From January 2003 to March 2017, he was an independent Marketing and Mortgage Banking Consultant based in Palm Springs, California. Mr. Young is a Real Estate Salesperson licensed by the state of California.

William B. Wenk, Jr.: Vice President and Director.
Mr. Wenk was named our Vice President and Director at our inception in March 2017. He also serves as President of Wenk Foods, Inc., a poultry processing business based in Madison, South Dakota (since January 1988).

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

On October 26, 2012, our Chief Executive Officer and President Mark Huckins filed for protection from creditors under Chapter 13 of the Bankruptcy Code with the United States Bankruptcy Court, Central District of California, Case No. 12-34140. A Chapter 13 Bankruptcy enables individuals with regular income to propose a plan to repay creditors in installments. After only 3 months (and before any plan of reorganization was presented to, or confirmed by, the court), on December 3, 2012, Mr. Huckins voluntarily withdrew the petition and the court dismissed the case (none of his creditors were affected by this filing).

Other than the one matter disclosed above, no bankruptcy is required to be disclosed in this Item.

ITEM 5: INITIAL FEES

The Initial Franchise Fee for a single territorial Outlet is $25,000 and is due and payable in full to us when you sign the Franchise Agreement.

The territorial Outlet franchised to you will contain at least 40,000 households, but if the territorial Outlet contains more than 50,000 households, you must also pay a "Territory Surcharge" equal to $.20 for each additional household beyond 50,000 (for example, if your territorial Outlet contains 60,000 households, you would pay a Territory Surcharge of $2,000). The Territory Surcharge is due and payable in full to us when you sign the Franchise Agreement.

If one or more Principal Equity Owners is either (i) an active member of the U.S. Armed Forces or is a veteran of the U.S. Armed Forces who was honorably discharged or (ii) a person with at least 2 years experience in customized window blinds, shutters and window coverings trade, the Initial Franchise Fee for the first Outlet will be reduced to $10,000, but the Territory Surcharge will remain the same.

If you sign an ADA granting you the right to open additional territorial Outlets, you will pay us at that time a "Development Fee" equal to the product of (i) $12,500 multiplied by (ii) the number of additional territorial Outlets you commit to open under the ADA. Each time you open an additional territorial Outlet under the ADA, $12,500 would be applied as a credit toward the initial franchise fee required by the Franchise Agreement for that additional Outlet.

The Initial Franchise Fee and Development Fee paid under an ADA are fully earned by us when paid. If before your successful completion of initial training, we decide, in our sole discretion, that you should not operate a Lifetime Blinds business, or if you have not located and rented or leased (if applicable) a site for your "Business Office" (a location in your territory from which you will conduct the Franchised Business) that is acceptable to us within 60 days after the effective date of the Franchise Agreement, we may cancel the Franchise Agreement. If we cancel your Franchise Agreement for either of those reasons, upon execution of a mutual release, we will refund the Initial Franchise Fee and any Territory Surcharge you paid, less any expenses we incurred (including fees paid to franchise brokers) relating to our activities on your behalf. **Otherwise, the Initial Franchise Fee and any Territory Surcharge are not refundable.**

There are no other initial fees or payments for services or goods received from us or our affiliates before your Outlet opens.

The Initial Franchise Fee and Territory Surcharge constitute part of our general operating funds and will be used as such in our discretion.

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty[1]	5% of your "Gross Revenues" for each monthly period.	The 3rd business day following the month in which applicable Gross Revenues were received[3]	Royalty is calculated on the "Gross Revenues" received during the previous month and is paid by electronic funds transfer ("EFT") on the 3rd business day of the next month (unless that day is a banking holiday, in which case they are due and payable on the next business day). You must also send us a marketing report in the form we prescribe. "Gross Revenues" include all revenue from the sale of all Lifetime Blinds Products and Services (as defined in the Franchise Agreement) and all other income of every kind and nature related to your franchise operation. Gross Revenues do not include applicable sales taxes you pay to a tax authority.

Type of Fee	Amount	Due Date	Remarks
Marketing and Promotion Fees[1]	3% of Gross Revenues[4]	The 3rd business day following the month in which applicable Gross Revenues were received[3]	Marketing and Promotion Fees are not currently due and payable. However, after we have a minimum of 250 franchised outlets open and operating and upon 60 days written notice, we may begin collecting Marketing and Promotion Fees calculated on the Gross Revenues received during the previous month to be paid by EFT on the 3rd business day of the next month (unless that day is a banking holiday, in which case they are due and payable on the next business day). Also, on a regional or system-wide basis, we may also impose an additional assessment upon some or all franchisees for one-time advertising or promotional activities if 2/3 of all affected Lifetime Blinds franchised Outlets agree to such additional assessment by affirmative vote.
Initial Training Fee for Additional Attendees[1]	$1,500[2] (for each attendee)	At completion of training[3]	Initial Training is provided to your General Manager and your Principal Equity Owners at no additional charge. Additional attendees of Initial Training, including replacement General Managers, may be required to pay us $1,500 for each subsequent attendee for Initial Training. You must pay the costs of travel, lodging and meals for all trainees.
Additional Training Fee[1]	Up to $500[2] (per day)	At time of training[3]	After the Outlet opens, and upon reasonable notice, we may require attendance of your General Manager, Principal Equity Owners and other designated personnel at training courses, seminars, conferences or other programs. You must also pay the cost of travel, hotel and meal expenses for your attendees at these mandatory meetings.
Transfer Fee[1]	$7,500[2]	Not later than 10 days before the transfer[3]	The transfer fee covers our costs in reviewing the qualifications of the assignee and providing initial franchise training to the assignee. There is no transfer fee if franchise is transferred to an entity (corporation or limited liability company) owned solely by you. No fee is due if franchise is transferred to your personal representative, conservator or heir upon your death or legal disability (if you are an individual) or dissolution (if you are an entity).
Renewal Fee[1]	$500[2]	When you sign the Renewal Franchise Agreement	You are qualified for renewal if all fees due are paid and you are not in breach of any term of your Franchise Agreement.
Late Payment Penalty	5% of the amount past due[2]	Immediately upon our demand[3]	The late payment penalty is in addition to interest on the unpaid amount.
Interest Charged	Annual Percentage Rate of 10% on the unpaid amount	Immediately upon our demand[3]	Interest charged by us cannot exceed the maximum allowed by the law of the state where the Outlet is located.
Records and Rights of Inspection (Audit)[1]	Cost of audit plus interest on underpayment	Immediately upon our demand[3]	Due only if audit discloses an understatement of 5% or more in gross sales for any month or it takes our auditors an unreasonable amount of time (more than 8 hours) to assemble your records for audit.

1. All fees are imposed and collected by and are payable only to us. Except as indicated in Item 5 or otherwise in the table above, all fees are non-refundable. All fees are uniformly imposed.

2. This fee may be adjusted by changes since the effective date of the Franchise Agreement in the annual average of the Consumer Price Index for All Urban Consumers ("CPI"), published by the

Bureau of Labor Statistics of the United States Department of Labor, or the highest similar future index if these figures become unavailable.

3. If any payment is not paid when due, you must pay interest on the unpaid amount at an annual percentage rate ("APR") of 10% (unless interest rates on delinquent payments in the state in which your Outlet is located are limited by law to a lesser amount, in which case that lesser amount will be charged instead), and you must reimburse us immediately upon demand for all reasonable costs of collection relating to delinquent amounts, including court costs, investigator fees, expert witness fees and attorneys' fees. Interest begins to accrue from the date payment was due.

4. Within the 30 days before and the 30 days after the Opening Date, you must spend in your Territory at least $1,000 on the grand opening advertising and promotion of your Outlet, using a grand opening promotional program that we approve. Beginning on the Opening Date, you will contract with a third party we approve to assist you with Internet ranking directly to your Outlet's presence on our website. In addition, we recommend you spend at least 1% of your Gross Revenues on the local marketing, advertising and promotion of your Franchised Business, using marketing and promotional materials pre-approved or otherwise authorized in writing by us ("Local Advertising") and you may incur ongoing expenses for a third party to maintain an authorized website or other Internet presence for your Franchised Business. If we determine your outlet has not made sufficient market penetration, upon 30 days prior notice, we may require you to spend up to $500 each month on Local Advertising. Within five business days after we ask for it, you must report to us all details of your Local Advertising for the previous 30 days.

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[1]	$10,000 to $25,000	Lump sum; non-refundable	When you sign the Franchise Agreement	Us
Training expenses [2]	$1,000 to $2,500	As incurred	During training	Travel and lodging vendors
Grand Opening advertising and promotion [3]	$1,000 to $5,000	Lump sum; non-refundable	During the 30 days before and the 30 days after you open	Advertisers and other suppliers
Real estate expenses (for Business Office) [4]	$500 to $1,000	As incurred	Before opening	Landlord
Service vehicle[5]	$4,000 to $35,000	As arranged	Before opening	Vehicle dealer
Equipment, furniture and office equipment [6]	$1,000 to $1,500	As arranged	Before opening	Suppliers
Signage [7]	$1,000 to $2,000	As arranged	Before opening	Designated or approved suppliers
Business computer, integrated software and telecommunications [8]	$750 to $1,500	Monthly	Before opening	Designated suppliers
Professional fees – legal and accounting [9]	$1,000 to $2,000	As incurred	Before opening	Attorneys and accountants

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Inventory (samples), tools and supplies to begin operating [10]	$1,000 to $1,500	As arranged	Before opening	Designated and approved vendors
Insurance premiums [11]	$1,000 to $2,000	As incurred	As arranged	Insurance company
Licenses and permits [12]	$500 to $1,000	As incurred	Before and during opening	Government agencies
Additional funds – 3 months [13]	$5,000 to $10,000	As incurred	After opening	Employees, landlord, other vendors
TOTAL[14]	**$27,750 to $90,000**			

(1) This fee must be paid in full at the time indicated. In order to be eligible to sign the Franchise Agreement, you must provide us with reasonable proof of your financial ability to make the initial investment described above, and you must authorize us to conduct a credit check to confirm your financial ability to purchase and develop the Outlet.

(2) Training typically is accomplished in 10 days (3 days of initial orientation and 7 days of field training) in Riverside County, California. These expenses represent the wages, travel and living expenses for you and your staff during training.

(3) You must spend at least $1,000 within the 30 days before you open and the 30 days after you open to build local customer awareness of your Outlet. Recommendations on how to promote the grand opening of your Outlet will be provided by us, including promotional ideas, sample advertising copy and flier design.

(4) You will need to have suitable location for your "Business Office" (the premises from which you operate your franchised Outlet) and the rent or lease deposit amount will vary depending on the location. If you are operating from your residence, these costs will be minimal. If you are renting an executive suite or other office, a security deposit and first month's rent (typically varying from $1,000 to $2,000) are standard requirements to enter into a commercial lease, and the estimate above includes the initial month of rent and the deposit.

(5) Within 180 days after the effective date of your Franchise Agreement, you must lease or purchase a panel van or truck (as specified by us in the Confidential Operations Manual (the "Manual") and with our trademarks affixed to it) and use it to visit customers and deliver Lifetime Blinds Products and Services to retail customers.

(6) This item includes the cost of desks, office chairs, guest chairs, office supplies and other items necessary for operating your territorial Outlet and furnishing your Business Office.

(7) The quantity, size, type and cost of signs will vary in accordance with local governmental regulations.

(8) This includes a business computer with integrated software, printer and supporting equipment, and telephone communication equipment. We will control all telephone numbers associated with the Franchised Business, and we may obtain and assign for your use a specific telephone number which will revert to us when the Franchisee Agreement is terminated or expires.

(9) This includes professional legal and accounting fees to review the franchise agreement and setting up your territorial Outlet.

(10) This refers to sample books of blinds and shutters, installation tools, printed materials (such as business cards, brochures and other marketing materials), operational materials, referral gifts, promotional items and other items of merchandise and supplies you must stock in order to open your territorial Outlet for business.

(11) As an independently owned and operated franchisee, you are responsible for all costs or liabilities arising from the operation of your Outlet and it imperative that you carry adequate insurance to protect yourself. The currently required *minimum* coverage and limits of insurance are (i) General Liability at minimum limits of $1,000,000 per occurrence / $3,000,000 annual aggregate, (ii) Auto Liability at minimum limits of $1,000,000 combined single limit covering all owned, hired and non-owned vehicles, and (iii) Workers' Compensation to meet the statutory coverage of the state where your Outlet is located. To the extent permissible under law, these insurance requirements may be satisfied with a combination of primary, umbrella and/or excess policies. All insurance policies will name you as named insured and, with the exception of Workers' Compensation, will name us and our parent entities and affiliates of these companies now existing or which may hereafter exist as additional insureds, including their employees, officers and directors on additional insured endorsement forms. All required insurance shall be purchased by insurance companies of good reputation with a rating of "A VII" or better by A. M. Best Company. The costs of premiums will vary based on location of the Outlet and any prior claim history. You must supply us a copy of the applicable insurance policies providing the coverage specified above as soon as practicable after the effective date of your Franchise Agreement and then proof of continuing insurance on annual basis not later than each anniversary of the effective date of your Franchise Agreement.

(12) You must obtain a business license from your city or county and you must file an assumed name or fictitious business name certificate ("DBA") with the appropriate government agency in your county or state indicating you will be doing business under our trademarks. You must provide us a copy of the DBA upon issuance and upon any renewal. You may also be required to obtain a contractor's license and other required licenses and permits before you can begin operating your Outlet.

(13) Although we do not require minimum funds for you to start your business, there are some expenses you will incur when you begin your franchise operations, such as samples, tools and supplies. It is always a good idea to have some cash reserves available to cover initial operating expenses. This estimates the additional funds you will need for your first 3 months of operation, plus an additional amount of recommended working capital available for access during the first year of operations. These expenses include payroll costs. These figures are estimates and we cannot guarantee that you will not have additional expenses during your first 3 months of operation. We relied on the 31 years of experience of our Chief Executive Officer in determining these figures. Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our services; competition; and the sales level reached during the initial period.

(14) This estimates your initial startup expenses. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. Although we cannot assure you this will happen, if you do not open for business, you may receive a refund from suppliers for unused inventory, unspent advertising and canceled insurance. Otherwise the payments listed in the table above are nonrefundable. We do not finance any part of the initial investment. We relied on the 31 years of experience of our Chief Executive Officer in determining these figures. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases of Goods or Services, including Computer and Point of Sale System

You must purchase, use and maintain a business computer system, together with all related software and other hardware as specified in our Confidential Operations Manual (the "Manual") or otherwise by us in writing for use in connection with the Outlet (the "Computer System"). And we require you to maintain an e-mail account and connect the Computer System to a dedicated telephone line (or other communications medium we specify) at all times and be capable of accessing the Internet via a third party network we designate in the Manual or otherwise in writing. You must also obtain and use an approved mobile credit card reader (we currently authorize the Square Reader) for customer credit card purchases. We also recommend that you obtain iPads or other mobile communication devices to assist in operating your business. We are not obligated to provide you with, or assist you in obtaining, the Computer System. You are responsible for all ongoing maintenance and repairs and upgrades to the Computer System. Otherwise, at this time, we do not require you to obtain and use a specific point of sale ("POS") system, but we reserve the right to do so in the future.

You must purchase items bearing our trademarks only from designated vendors or approved suppliers. You must place or display at the premises of your Outlet (interior and exterior) and your service vehicle only such signs, emblems, lettering, logos, and display materials that we approve in writing. All vehicle or other equipment leases will be between you and the lessor. Under no circumstances can you sign any lease as if you were us, or on behalf of us.

Franchisor or its Affiliates Acting as Approved Suppliers

Neither we nor any of our affiliates currently sell or lease any goods, services, supplies or equipment related to establishing and operating the franchised business. There are no current suppliers in which any of our officers owns an interest.

Approved Suppliers and Approval of Alternative Suppliers

We may also require you to purchase other products and services related to the Outlet from other manufacturers or producers designated or approved by us in writing. We will provide a written list of any required proprietary products and services and designated or approved suppliers. We will also notify you of any additions to or deletions from this list.

We only designate or approve suppliers who demonstrate to our satisfaction the ability to meet our standards and specifications, who possess adequate quality control and capacity to supply your needs promptly and reliably, and who have been approved by us in the Manual or otherwise in writing. Designation of a supplier may be conditioned on factors established by us, including performance relating to frequency of delivery, standards of service, and payment or other consideration to us or parties designated by us. We may designate a single or multiple suppliers for any given item or service and may concentrate purchases with one or more suppliers.

The current list of approved products and suppliers is found in the Manual. We may make changes to these lists or other parts of the Manual, which we will provide to you. If you desire to purchase products other than those provided by approved suppliers, you must submit to us a written request for approval of the proposed supplier together with such evidence of conformity with our specifications and program specifications as we may reasonably require. We will have the right to require that our representative be permitted to inspect the supplier's facility and that samples from the supplier be delivered for evaluation and testing, either to us or to an independent testing facility designated by us. Our criteria for supplier approvals are contained in the Manual. Within 60 days after our receipt of the completed request or completion of the evaluation and testing (if required by us), we will notify you in writing of our approval or disapproval of the proposed supplier. Approval will not be unreasonably withheld. You must not sell or offer for sale any products or services from a proposed supplier until you receive our written approval of the proposed supplier.

We may revoke our approval of particular products or suppliers if we determine in our sole discretion that the products or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you must cease purchasing or selling any disapproved product.

We may also consider the impact of an additional supplier (and consequent reductions in supplier volume and increase in distribution expense) on the overall supply chain being utilized by the system.

Issuance of Specifications and Standards

We issue specifications and standards regarding authorized Lifetime Blinds Products and Services through the Manual and other communications in writing or by email. We may also issue specifications and standards regarding authorized Lifetime Blinds Products and Services to our designated and approved suppliers in writing or by email. We may modify these specifications and standards at any time but only after delivering written notification of the modifications and providing its franchisees or suppliers a reasonable amount of time to implement the modifications.

Revenue from Franchisee Purchases

During the 12 months before the issuance date of this disclosure document, neither we nor any related entity derived revenue, rebates or other material consideration as a result of required purchases or leases by Lifetime Blinds franchisees. But we or our related entities may do so in the future.

Payments to us and purchases from designated vendors and approved suppliers (i) in establishing your Outlet will range from 33% to 46% of your total initial investment and (ii) in operating your Outlet will range from 30% to 60% of your total monthly expenses.

Cooperatives

We are not presently involved in any purchasing or distribution cooperatives.

Negotiated Purchase Arrangements

We or our affiliates intend to negotiate purchase arrangements or price terms with suppliers for the benefit of our franchisees.

Material Benefits Based on Franchisee Purchases

We do not provide any material benefits to you based on your purchase of particular products or services or your use of particular suppliers, although suppliers may do so.

ITEM 9: FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in franchise agreement	Section in area development agreement	Disclosure document item
a.	Site selection and acquisition/lease	7.1, 7.2	Exhibit 1	6,11
b.	Pre-opening purchases/leases	7.2, 7.3	2.2	8
c.	Site development and other pre-opening requirements	7.1-7.3	2.1	6, 7, 11
d.	Initial and ongoing training	6.1-6.4	Not applicable	11
e.	Opening	3.3, 7.2, 7.3	2.1, Exhibit 1	11
f.	Fees	4.1-4.8, 5.2, 12.2	3.1,3.2	5, 6
g.	Compliance with standards and policies/ operating manual	8.1-8.3	Not applicable	11
h.	Trademarks and proprietary information	8.8, 9.1-9.5	5.2	13,14
i.	Restrictions on products/services offered	3.2, 3.4, 8.1, 8.13	1.1, 1.5	16
j.	Warranty and customer service requirements	3.3, 8.1	Not applicable	11
k.	Territorial development and sales quotas	3.1	1.2, 2.4, Exhibit 1	12
l.	Ongoing product/service purchases	7.3	Not applicable	8
m.	Maintenance, appearance and remodeling requirements	5.2, 7.2, 8.5	Not applicable	11
n.	Insurance	8.10	Not applicable	6, 8
o.	Advertising	4.3, 7.4, 8.8, 8.13, 10.1, 10.2	5.2	6,11
p.	Indemnification	16.2	Not applicable	6
q.	Owner's participation/management/ staffing	3.6, 6.1, 6.2, 8.1, 12.6	Not applicable	11,15
r.	Records and reports	8.7	Not applicable	6
s.	Inspections and audits	8.7, 8.11	Not applicable	6,11
t.	Transfer	12.1-12.7	4.1, 4.2	17
u.	Renewal	5.2, 5.3	1.3, 1.4	17
v.	Post-termination obligations	11.2, 15.1, 15.2	6.2	17
w.	Non-competition covenants	11.1-11.3	5.1	17
x.	Dispute resolution	14.1-14.5	7.1	17
y.	Compliance with anti-terrorism and other federal laws	16.12	Not applicable	Not applicable

ITEM 10: FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

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

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

Our Pre-Opening Obligations

Before you open your business, we will:

(1) Designate your protected Territory (see sections 3.1, 7.1, and Exhibit 1 of the Franchise Agreement).

(2) Provide you with initial training and orientation in the Lifetime Blinds system and how to operate the Outlet (see section 6.1 of the Franchise Agreement and the Training Program described below in this Item 11). Your General Manager and at least one Principal Equity Owner (these may be the same person) must successfully complete initial training to our satisfaction before you can open your Outlet.

(3) Provide you with a general plan for the equipping of your Outlet, together with a written schedule of all Lifetime Blinds Products and Services and other products and services authorized to be sold at or through your Outlet and a list of approved and designated suppliers (see section 7.3 of the Franchise Agreement).

(4) Although we do not typically pre-select or assist you in finding the site for your Business Office, we must give our final consent to the location before your Business Office can be placed in your Territory (see section 7.2 of the Franchise Agreement). You have 60 days after the date you sign your Franchise Agreement (the "Effective Date") to locate an acceptable site for your Business Office. We will review and either consent to or decline the proposed site for your Business Office within 10 business days after you provide us with its address. If you are unable to locate an acceptable site for the Business Office within 60 days after the Effective Date, we can cancel the Franchise Agreement and if we do so, we will refund your Initial Franchise Fee less all costs we incurred up to the date of cancellation. If we consent to the site for your Business Office, but you do not begin operations in your Territory within 180 days after the Effective Date, we can cancel the Franchise Agreement without any liability to us (see section 7.2 of the Franchise Agreement).The factors we consider in consenting to a site for the Business Office include general location and neighborhood, size, and (if applicable) lease or rental terms. We do not typically own and lease to you the premises on which the Business Office will be located.

(5) Provide you with a copy of the confidential Manual (see section 8.2 of the Franchise Agreement).

Length of Time to Open the Outlet

We estimate the typical length of time between the signing of the Franchise Agreement (when you make your first payment to us for the franchise) and the opening of your Outlet will be 90 days. Factors that may affect this time period include the satisfactory completion of initial training by your designated attendees, location of an acceptable site for your Business Office, financing arrangements, compliance with government licensing and permit requirements, weather conditions, shortages, and delivery and installation of equipment, fixtures and signs. If we consent to the site for your Outlet but you do not begin operating your Franchised Business within 180 days after you the Effective Date of the Franchise Agreement, we can cancel the Franchise Agreement (see section 7.2(b) of the Franchise Agreement), and if we do so under those circumstances, we are not obligated to refund your Initial Franchise Fee and any Development Fee paid under an ADA.

Our Obligations during the Operation of the Franchise

During the operation of the franchised business, we:

(1) Will provide you with access to, and integrate information about your Outlet into, the Lifetime Blinds website (see section 6.2(a) of the Franchise Agreement).

(2) Will be reasonably available (together with local vendor representatives) by phone and e-mail for guidance in the operation and management of your Outlet. However, we do not provide you with assistance in hiring, supervising or discharging employees nor do we provide any advice on employment law or regulations, except to strongly recommend you engage the services of an attorney competent to advise you on employment law matters in your state. (See section 6.2 of the Franchise Agreement.)

(3) May visit you periodically at no cost to you to provide additional sales and administrative review and assistance, including assistance with establishing and using administrative, bookkeeping, accounting and inventory control procedures. If you request this assistance and we agree to provide it, you must reimburse us for the cost of our representative's transportation and lodging. We may also, at our discretion, charge an additional training fee of up to $500 per day for optional Lifetime Blinds training courses, seminars, conferences or other programs that you or your representatives attend. The nature, frequency and duration of this assistance by our representatives will be in our sole discretion. (See section 6.2 of the Franchise Agreement.)

(4) In connection with your ongoing obligation to maintain the Outlet in accordance with our standards, will notify you if the general state of repair, appearance or cleanliness of your Business Office (and its signs), custom store facility, service vehicle and your employees do not meet our standards, and specify the action you must take to correct the deficiency (see section 8.11 of the Franchise Agreement).

(5) May conduct a system-wide meeting (or annual convention) not more than once a year in southern California or other place in the United States. Attendance of at least one Principal Equity Owner at these meetings is highly recommended. You must pay the cost of travel, hotel and meal expenses for your attendees at these mandatory meetings. (See section 6.3 of the Franchise Agreement.)

(6) May recommend retail prices for specific Lifetime Blinds Products and Services and other products and services we authorize for sale at your Outlet (to enhance uniformity in the delivery of goods and services to retail customers by our franchises and the strength of our Marks in inter-brand competition), and if we do so, you may not advertise or promote (whether by telephone, printed materials or any other media, including, without limitation, social media) retail prices that are inconsistent with these recommended prices. Also, to the extent permitted by federal and state law applicable to the Outlet, we may designate maximum and

minimum retail prices to be charged for Lifetime Blinds Products and Services. (See section 8.1(b) of the Franchise Agreement.)

Advertising Program for the Franchise System

We are not currently charging and collecting Marketing and Promotion Fees. However, after there are at least 250 Lifetime Blinds open and operating, beginning 60 days after we give you written notice we will begin collecting these fees, you must then pay us a Marketing and Promotion Fee of up to 3% of your monthly Gross Revenues (section 4.3(a) of the Franchise Agreement). Marketing and Promotion Fees would be due and payable every other Wednesday. We are not required to spend any Marketing and Promotion Fees directly in or near your Outlet, although we may do so. However, we will instruct you on how to engage in local marketing campaigns and use Google, Facebook, Yelp, Houzz, Pinterest, Instagram and other equivalent social media sites as lead generation sources. Marketing and Promotion Fees collected from Lifetime Blinds franchisees will be spent for national and regional advertising and promotional campaigns designed to promote and enhance the value of the Lifetime Blinds trademarks and their general public recognition and acceptance. Any Lifetime Blinds outlet owned by an entity affiliated with us will contribute Marketing and Promotion Fees at the same rate that Lifetime Blinds franchisees do. Any Marketing and Promotion Fees collected but not expended in a calendar year will roll over for use in the next calendar year.

Marketing and Promotion Fees are paid by EFT into a separate bank account of ours specifically designated for Lifetime Blinds advertising and promotion activities. This separate marketing and advertising bank account is not audited. However, if you request in writing an accounting of advertising expenditures within 90 days after the end of a calendar year, we will provide you within 30 days after receiving a written request with an unaudited financial statement of the advertising account's annual receipts and expenditures relating to the calendar year. No interest on the amounts on deposit will be imputed for your benefit or paid to you. We administer this separate marketing and advertising bank account and the national advertising program, and we will receive a fee of 15% of the annual aggregate Marketing and Promotion Fees for doing so.

We will provide general advertising programs and sales promotion, campaign and sample advertising materials. You may develop advertising materials for your own use, at your own cost. But we must approve all advertising materials in advance and in writing. You grant us a the right to use the name, image and likeness of you, all Principal Equity Owners and any of your affected employees, for commercial purposes in connection with the marketing and promotion of the Marks, Lifetime Blinds, any Lifetime Blinds and the Lifetime Blinds system. (See section 9.1(d) of the Franchise Agreement.)

We intend to use our website, social media, regional and national marketing campaigns in our advertising efforts, and you must participate in Lifetime Blinds system-wide promotions and social media programs (such as group discount promotions). We reserve the right to use other media to market and promote the Lifetime Blinds trademarks. We may be using in-house advertising personnel to do this and we may hire advertising and public relations firms to assist us in these efforts.

We do not yet have a franchisee council that advises us on advertising policies, but we may establish one in the future, and if we do so, we will request input on advertising informally from franchisees.

We are not presently involved in any advertising cooperatives. However, we reserve the right to create advertising cooperatives in the future. If we do so, outlets owned by or affiliated with us will contribute to the cooperative on the same basis as Lifetime Blinds franchisees. We have the right to require cooperatives to change, dissolve or merge.

We require you to spend at least $1,000 on the Grand Opening Advertising and promotion event in connection with the opening of your Outlet sometime during the 30 days before and the 30 days after your Outlet opens (see section 4.3(c) of the Franchise Agreement).

Also, beginning 30 days after your Outlet opens, we recommend you spend at least 1% of your monthly Gross Revenues on the local marketing, advertising and promotion ("Local Advertising") of your Franchised Business, using marketing and promotional materials pre-approved or otherwise authorized in writing by us (see section 4.3(d) of the Franchise Agreement). Upon 30 days prior notice we may require you to spend up to $500 each month on Local Advertising. Within five business days after we ask for it, you must report to us all details of your Local Advertising for the previous 30 days.

On a national or regional basis, we may impose an assessment on all affected Lifetime Blinds franchisees for special advertising or promotional activities if franchisees owning 2/3 of all affected franchised Outlets agree to this assessment, confirmed in writing by each franchisee (see section 4.3(e) of the Franchise Agreement).

Although you are not obligated to spend a designated portion of your gross revenues on the local marketing, advertising and promotion of your franchised territory, we recommend you do so where appropriate. Any advertising of your franchised territory must be done in compliance with the guidelines contained in the Manual and we will engage in local marketing campaigns and using Google, Facebook, Yelp, Houzz, Pinterest, Instagram and other equivalent media sites as lead generation sources.

Electronic Cash Registers and Computer Requirements

You are required to purchase, use and maintain the Computer System, with integrated software. We don't specify or recommend the brand or type of business computer you use. But if this changes, you will be notified. We estimate the cost of the Computer System to range from $750 to $1,500. We also require you to maintain an e-mail account and connect the Computer System to a dedicated Internet line (or other communications medium we specify) at all times and be capable of accessing the Internet via a third party network designated by us in the Manual or otherwise in writing. We will be monitoring all email traffic to and from your Franchised Business. You must allow us to access your Computer System on a daily or other basis at the times and manner determined by us or our designated affiliate, with or without notice, and to retrieve transaction information (including sales, sales mix, usage and other operations data) that we deem appropriate. You must always have and maintain adequate anti-virus software in any computer you use to communicate with us directly or through our master website or intranet. (See section 8.4(b) of the Franchise Agreement.) We estimate the annual cost of optional or required maintenance, updating, operating or support contracts regarding the Computer System is $1,500.

Operations Manual

We will loan you one copy of our Manual (containing a total of 138 pages) and other applicable manuals during the relevant phases of initial training (see section 8.2 of the Franchise Agreement). The Manual contains mandatory and suggested specifications, standards and procedures for operation of your Outlet.

We will modify the Manual, and you must comply with these changes when you receive them. This Manual is confidential and remains our property. If you lose or allow the unauthorized duplication of the Manual or any other confidential manuals or proprietary materials loaned to you by us, you will be deemed to be in violation of this Agreement and all other agreements you have with us (see section 8.2 of the Franchise Agreement) and we would be entitled to recover damages from you).

The following is the Table of Contents of the Manual as of the date of this disclosure document:

Topic	Number of Pages
Section 1. Welcome: The Ops Manual Comprehensive Guide/Operating Your Franchise	1
Section 2. History & Mission = Unrivaled Business Model A. Powerful Business Model - Origin of Low Overhead Mobile Concept B. Vision C. Lifetime Service Warranty	3
Section 3. What Your Franchise Includes: A. Exclusive Territory - Central Office Selection B. Training - 3 Day Orientation & 7 Days in the Field C. Coaching - Local Vendor Support - Vendor Certification D. Website E. Product Wholesale Price Negotiation	5
Section 4. Profit Margins - Cost of Doing Business - Fixed Expenses	5
Section 5. The Art of Running Your Business A. Day to Day Operations - Organizing Your Calendar B. Where Do you Excel? Operations - Sales - Installation - Repairs - Administration - Logistics C. Delegating	10
Section 6. Marketing & Lead Generation = SEO A. Setting Up Organic (Free) Listings: Local Google Listing - Yelp! - Foursquare - Angie's List - Houzz - Pinterest - Facebook - Instagram B. Reviews C. Chamber of Commerce - Grand Opening Letter to Local Businesses D. Press Release	10
Section 7. Sales Training A. Qualifying B. Product Check List C. Closing Techniques D. Touching Points	10
Section 8. Ordering A. Measuring Guidelines - Helpful Hints for Each Product B. Writing Up an Order C. Placing an Order	50
Section 9. Setting Up Your Business A. Filling Out Vendor Applications B. Meeting with Local Reps C. Sampling	20

Topic	Number of Pages
Section 9. Setting Up Your Business [continued] D. Warehouse/Office Space/Receiving E. Tools F. Phone - Answering Service G. Van Logo - Van Organization	
Section 10. Policies & Procedures	10
Section 11. Training Evaluation	2
Section 12. Your First 8 Weeks - Things To Do	12
Total Pages	**138**

Currently, we have no policy under which we will render services to you not required by your Franchise Agreement (or other agreements with us) or the Manual.

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Day 1 Orientation to Lifetime Blinds	8	0	La Quinta, California
Days 2 though 10 On-the-Job Field Training	18	54	La Quinta, California, and Operating Lifetime Blinds Business in Southern California

The training program above is effective as of the date of this disclosure document. Initial training is typically provided within 30 days before your Outlet opens and is typically scheduled on a monthly basis. All classroom training takes place in La Quinta, California or at another training center we designate. All on-the-job training takes place at your Business Office or in another in Lifetime Blinds Business Office in southern California.

The instructional material consists of appropriate handouts and information directly from the Manual. Currently, our principal instructor is our President Mark Huckins, who has been with us since our inception in 2017, and who has 31 years of experience in the subject matters he teaches. The principal instructor may be assisted by Lifetime Blinds program directors and other employees of ours. Most of the time it is reasonable to complete the training in 10 days, but it is up to our President whether the program will be completed in a different time frame.

The Initial Training Program is mandatory for your General Manager, all of your Principal Equity Owners (including their partners or spouses) and all other key employees who will be involved in the Franchised Business. The successful completion of initial training by your General Manager and other required attendees of Initial Training to our satisfaction is a condition to your opening of an Outlet to the public, and must be fulfilled within 180 days after you sign the Franchise Agreement.

Additional on-site training at your Outlet may be provided when you open your Outlet. We may provide you with proprietary information and related materials for use in training your staff. These materials are our sole property and must be returned to us when you are finished with them. We will conduct both oral and practical evaluations and issue a Certificate of

Completion (may be done electronically) upon successful completion at the conclusion of the training.

No additional training programs or refresher courses are required. However, you can request additional on-site training and/or assistance at any time. We may provide this training and/or assistance at our option, but the Franchise Agreement does not require us to do so.

We may periodically conduct an annual conference, convention or training session, and if we do, we will determine its duration, curriculum and location (section 6.3 of the Franchise Agreement). Attendance of at least one Principal Equity Owner at these meetings will be mandatory (and is highly recommended for your General Manager and all other Principal Equity Owners).

You must pay all the expenses incurred by your trainees are attendees in connection with the Initial Training Program and any other training, conferences, conventions or other meetings your trainees attend, including, for example, their salaries, transportation costs, meals, lodging and other living expenses (section 6.1(e) of the Franchise Agreement).

ITEM 12: TERRITORY

You will receive an exclusive territory ("Territory") within a defined area surrounding your Business Office based on number of households (at least 40,000) as we determine and as specified in your Franchise Agreement. By "exclusive" Territory we mean that so long as you continue to fulfill your material obligations under your Franchise Agreement (as reasonably determined by us), we will not grant a Lifetime Blinds franchise to any other person nor will we or any of our affiliated entities operate an Outlet within your Territory. You may face competition from other Lifetime Blinds franchisees located near your Territory, from other channels of distribution for Lifetime Blinds Products and Services, or from other competitive brands that we control.

You may relocate your Business Office within your Territory with our written consent, which will not be unreasonably withheld. Not less than 90 days before the desired date of relocation (unless prior notice is impractical because of a required relocation in which event your notice must be given as soon as possible), you must make a written request for consent to relocate, describing the reasons for the relocation and providing complete written details respecting any proposed new location. Within 20 business days after we receive your request, we will either approve or disapprove in writing such closure or relocation in our sole discretion. If we disapprove of a proposed relocation, you may request an alternative proposed new location.

If you enter into an ADA, you will be granted an exclusive (so long as the ADA is in effect) right to open a mutually agreed number of additional territorial Outlets under a mutually agreed development schedule. If you fail to achieve the development schedule, you may still open Outlets within the development area but will lose the exclusive right to do so, and we may allow others to open additional Outlets within the development area. You must enter into a separate Franchise Agreement for each additional Outlet you open under the ADA, and these agreements will grant a separate exclusive Territory within a defined area surrounding each additional Business Office. Otherwise, we do not grant you options, rights of first refusal or similar rights to open additional territorial Outlets under the Franchise Agreement or the ADA, and you may not open additional Lifetime Blinds businesses or engage in activities that are equivalent to the franchised business outside the Territory.

We reserve the right to develop other systems involving similar or dissimilar services or goods, under dissimilar service marks, trademarks and trade names belonging to us, without necessarily granting you any rights in those systems. We reserve all rights to market and sell Lifetime Blinds Products and Services under our principal trademarks or different trademarks through other channels of distribution (including the Internet) anywhere. We are not required to pay you compensation for soliciting or accepting orders in your Territory through other channels of distribution.

You may only offer and sell Lifetime Blinds Products and Services to customers in your Territory, and you are restricted from advertising Lifetime Blinds Products and Services outside your Territory without our prior written consent. You may not engage in any mail order solicitations, catalog sales, telemarketing or television solicitation programs, or use any other advertising media outside of your Territory without our prior written approval. Also, you may not offer or sell Lifetime Blinds Products and Services directly or indirectly through the Internet, except as authorized by us in the Manual or otherwise in writing. We will publish all website content and we will list your Outlet location on our master web site. We will maintain the "Uniform Resource Locator" (or "URL") for the Lifetime Blinds website, and you may never own any Internet domain name that contains any of the Marks. Under no circumstances are you authorized to establish your own personal websites (except social media sites we authorize) for the purpose of advertising your Territory Outlet or our principal trademarks.

Although we have no current plans to do so, we and our affiliated companies reserve the right to offer and sell other types of franchises that do not directly compete with the Lifetime Blinds franchise.

Beginning the 13 full calendar month after the date your Outlet opens, and each month thereafter, you must earn Gross Revenues of at least $10,000. Failure to do so will be a material breach of the Franchise Agreement and may result in the termination of the Franchise Agreement. Otherwise, your exclusive rights to the Territory do not depend on your attaining a minimum level of sales, revenues or market penetration or other contingency. The continuation of your exclusive rights to develop additional Territory Outlets under the ADA does depend on your meeting the development schedule described in the ADA. Neither the Territory granted by the Franchise Agreement nor the development area described in the ADA may be altered except if you and we mutually agree. You will maintain rights to your Territory and the development area described in the ADA even if the population in those geographic areas increases.

ITEM 13: TRADEMARKS

You will be licensed to operate and identify the Outlet under the principal trademark "Lifetime Blinds" and logo (which are owned by Mark Huckins) and other current or future trademarks. The current trademark and logo you will be licensed to use are displayed on the front cover of this disclosure document.

The principal trademark "Lifetime Blinds" was filed for registration as a standard character mark on the Principal Register of the United States Patent and Trademark Office ("USPTO"), on March 9, 2017, in class 035 (for mobile retail store services featuring window coverings, blinds, *etc.*) and class 037 (for mobile repair and installation services of window coverings, blinds, *etc.*), serial number 87365724. The Lifetime Blinds logo was filed for registration as a design plus words on the Principal Register of the USPTO, on March 20, 2017, in class 037 (for mobile repair and installation services of window coverings, blinds, *etc.*), serial number 87377964.

We do not yet have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are presently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor any pending interference, opposition or cancellation proceedings involving our trademarks. There are no agreements currently in effect that significantly limit our rights to use or license the use of trademarks listed in this Item in a manner material to the franchise. There is no pending material federal or state court litigation regarding our use or ownership rights in the trademarks. All required affidavits have been filed.

The principal trademark is owned by Mark Huckins, who granted us a trademark license (the "Trademark License") and right to use the principal trademark and related trademarks, service marks, trade names, logos and symbols (collectively the "Marks") in granting licenses to Lifetime Blinds franchisees to use the Marks. The Trademark License will continue until it is terminated. If the Trademark License were to be terminated, Lifetime Blinds franchisees would have the right to continue to use the Marks while operating their franchised Outlets under their Franchise Agreements for not less than the existing term of the Franchise Agreement. Except as described above, no agreements limit our rights to use or license the use of the Marks.

You must follow our rules when you use the Marks. You cannot use our principal Mark as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use the Marks in connection with the sale of any unauthorized product or service, or in any manner that we have not authorized in writing.

We have the right to control any administrative proceedings or litigation involving a Mark licensed to you by us. You must notify us promptly when you learn about an alleged infringement, unfair competition, unauthorized third party use of or challenge to your use of the Marks. We then will promptly take the action we think appropriate. We will indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition or similar claims about the Marks (see section 9.5(b) of the Franchise Agreement). However, we are not obligated to defend or indemnify you if the claim against you relates to your use of the Marks in violation of the Franchise Agreement.

If you learn that any third-party whom you believe is not authorized to use our Marks is using them or any variant of them, you must promptly notify us. We will determine whether or not to wish to take any action against the third party.

You must modify or discontinue the use of a Mark if we or the trademark owner modifies or discontinues it. You must not directly or indirectly contest our rights to the Marks, trade secrets or business techniques that are part of our business.

There are no infringing uses or superior previous rights actually known to us that would materially affect your use of the Marks in this state or any other state in which the franchised business is to be located.

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not own rights in, or licenses to, patents or copyrights that are material to the franchise, and you do not receive the right to use any item covered by a patent or copyright. However, we assert a common law copyright on the contents of the Manual, and only you or your authorized employees can have access to and use the proprietary information in the Manual.

Our intellectual property, whether the subject of a patent, copyright or not, also is protected by common law principles which limit the use of our confidential proprietary information, except as we have licensed it. We will enforce those rights as we determine.

Our Proprietary Rights in Other Confidential Information

You may never reveal any of our confidential proprietary information or trade secrets to another person or use it for another person or business. You may not copy any of our confidential proprietary information or disclose it to a third party except as we authorize. You must also promptly tell us when you learn about unauthorized use of any of our confidential proprietary information. We are not obligated to take any action but will respond to your notification of unauthorized use as we think appropriate.

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

We are seeking franchisees whose principal owner plans to actively participate in the direct management and operation of your Outlet. Additionally, as disclosed in section 8.1(a) of the Franchise Agreement, you must employ at least one designated General Manager (if you are a sole proprietor, this could be you) who has successfully completed our initial training program. You must disclose the identity of the General Manager to us and if he or she is for any reason no longer acting as General Manager, you must notify us immediately and in writing. The General Manager cannot have an interest or business relationship with any of our business competitors. The General Manager must devote his or her full time during normal business hours to the management, operation and development of the Franchised Business. We do not require your General Manager to have any ownership interest in your business, although he or she may do so.

Any General Manager or other key employee of yours who is not a Principal Equity Owner may be required to sign a non-competition agreement similar to the non-competition agreement contained in your Franchise Agreement.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell in your Territory only Lifetime Blinds Products and Services and other goods and services that we designate as required for all franchisees, or have approved in writing.

We have the right to change and add other authorized goods and services that you will be required to offer. There are no limits on our right to do so except that the additional investment required of you for equipment, supplies and initial inventory will not exceed $50,000 in any 3 year period.

Except for applicable laws restricting discrimination against customers based on public policy, there are no restrictions on the customers to whom you may sell Lifetime Blinds Products and Services and related products at your Outlet.

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

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in franchise agreement	Section in area development agreement	Summary
a.	Length of the franchise term	5.1	1.3	The initial term of the Franchise Agreement is 10 years. The term of the ADA is until all Outlets have been opened under the Development Schedule.
b.	Renewal or extension of the term	5.2	Not Applicable	You can add additional 5 year terms upon written notice delivered to us not less than 120 days before the end of the existing term. However, we are not obligated to renew your Franchise if one or more of the conditions in section 5.2(c) of the Franchise Agreement apply to you.
c.	Requirements for franchisee to renew or extend	5.2	Not Applicable	Sign our then current Franchise Agreement modified for renewal ("Renewal Franchise Agreement") or an addendum to your existing Franchise Agreement extending its term, remodel your Business Office (if necessary), and pay renewal fee. The Renewal Franchise Agreement may have materially different terms and conditions than your original Franchise Agreement.
d.	Termination by franchisee	13.1	1.3	If we are in material breach (beyond any applicable cure periods), you can terminate your franchise agreement.
e.	Termination by franchisor without cause	Not applicable	Not applicable	Not applicable.
f.	Termination by franchisor with cause	13.1	6.1	We can terminate only if you are in material default.
g.	"Cause" defined – curable defaults	13.3	6.1	You have 60 days after notice to cure monetary defaults and other defaults (including defaults under a lease for your Business Office) that can be cured.
h.	"Cause" defined – non-curable defaults	13.2	Not Applicable	Non-curable defaults: your bankruptcy or insolvency; abandonment of the franchise; you engage in conduct that reflects materially and unfavorably upon the reputation of Lifetime Blinds or our franchise system or its operations; you make material misrepresentations relating to your acquisition of the Franchise or you engage in conduct that reflects materially and unfavorably

	Provision	Section in franchise agreement	Section in area development agreement	Summary
h.	"Cause" defined – non-curable defaults [continued]			upon the operation and reputation of the Franchised Business or the System; you fail, for a period of 10 days after notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the Franchise; after curing any default, you engage in the same noncompliance whether or not such noncompliance is corrected after notice; you repeatedly fail to comply with one or more material requirements of the Franchise Agreement, whether or not corrected after notice; the Franchised Business or your Business Office is seized, taken over, or foreclosed by a government official, creditor, lien holder or lessor, or that a final judgment against you remains unsatisfied for 30 days; you are convicted of a felony or any other criminal misconduct that is relevant to the operation of the Franchise; we make a reasonable determination that your continued operation of the Franchise will result in an imminent danger to public health or safety; or your financial condition is impaired to the point that it is reasonable to conclude that you will not be able to fully discharge your obligations under this Agreement and that impairment continues for at least 30 days.
i.	Franchisee's obligations on termination or non-renewal	15.1	6.2	Obligations include removal of our Brand and other trademarks, return of all confidential and proprietary information and erasure of all copies of confidential and proprietary information, forwarding of telephone number and payment of amounts due (also see r. in this Table, below).
j.	Assignment of contract by franchisor	12.1	Not Applicable	No restriction on our right to assign. (However, no assignment will be made except to an assignee that in good faith and judgment of the franchisor is willing and financially able to assume our obligations as franchisor under the Franchise Agreement.)
k.	"Transfer" by franchisee – defined	12.2	4.2	Includes transfer of contract or assets or ownership change.
l.	Franchisor's approval of transfer by franchisee	12.2	4.1	We have the right to approve all transfers (including transfers of (i) more than 50% of the equity or (ii) controlling interest in a franchisee entity), but we will not unreasonably withhold approval.
m.	Conditions for franchisor approval of transfer	12.2	4.1	New franchisee qualifies, transfer fee paid, purchase agreement approved, training arranged, release signed by you and current agreement signed by new franchisee (also see r. below). You must agree not to compete with the new franchisee and to provide transition training and assistance for at least 30 days after the effective date of transfer. Within 60 days after our receipt of all necessary information and documentation required under the Franchise Agreement, or as

	Provision	Section in franchise agreement	Section in area development agreement	Summary
m.	Conditions for franchisor approval of transfer [continued]			specified by written agreement between us and you, we will notify you of the approval or disapproval of the proposed transfer of the Franchise by you. This notice will be in writing and delivered to you by business courier.
n.	Franchisor's right of first refusal to acquire franchisee's business	12.3	Not Applicable	We can match any legitimate offer for your business, but we have no right of first refusal if the transfer is (i) between or among individuals (including their immediate family members) who have guaranteed obligations under a Small Business Administration loan or (ii) a transfer of less than 100% of the equity interest of a franchisee entity).
o.	Franchisor's option to purchase franchisee's business	15.2(d)	Not Applicable	Upon a lawful termination or nonrenewal of the Franchise Agreement, we will purchase from you, at the value of price paid, minus depreciation, all inventory, supplies, equipment, fixtures, and furnishings purchased or paid for under the terms of the Franchise Agreement or any ancillary or collateral agreement by you to us or our approved suppliers and sources, that are, at the time of the notice of termination or nonrenewal, in your possession or used by you in the Franchised Business. There are exclusions to some of these items to be purchased and exceptions to our obligation to purchase. We may deduct and withdraw from the purchase price to be paid to you all sums then due and owing to us.
p.	Death or disability of franchisee	12.6	Not Applicable	Franchise must be assigned by estate to approved buyer within 270 days.
q.	Non-competition covenants during the term of the franchise	11.1, 11.3	5.1	No involvement in competing business anywhere.
r.	Non-competition covenants after the franchise is terminated or expires	11.2, 11.3	5.1	No competing business for 1 year within 25 miles of the boundaries of your Territory or the boundaries of any other Territory operated by another Lifetime Blinds retail business (this obligation also applies to you if you assign your franchise). The ADA refers to the non-competition covenant in the last Franchise Agreement you sign.
s.	Modification of the agreement	8.2, 16.14(c)	9.2	No modifications generally, but Manual subject to change.
t.	Integration/merger clause	16.14	9.11	Only the terms of the franchise agreement are binding (subject to state and federal law). Any representations or promises outside of the disclosure document, Franchise Agreement and ADA may not be enforceable. Nothing in the Franchise Agreement, ADA or in any related agreement disclaims or is intended to disclaim representations made in this Franchise Disclosure Document.

	Provision	Section in franchise agreement	Section in area development agreement	Summary
u.	Dispute resolution by arbitration or mediation	14.1-14.5	7.1	The parties agree in the Franchise Agreement to submit disputes (not including your failure to pay us sums due under the Franchise Agreement, or an act of yours allowing us to immediately terminate the Franchise Agreement) initially to a meeting in person of our executive officers and your Principal Equity Owners at our principal executive office (without our respective legal counsel) within 5 business days after a dispute arises to conduct a good faith discussion and negotiation of the issues with a view to arriving at a settlement. If this meeting does not result in a settlement of the dispute (or the meeting does not take place), within 10 business days after the date the meeting took place (or should have taken place), the parties may submit the dispute to non-binding mediation in California conducted by a mutually agreeable mediator who is a State Bar of California Board of Legal Specialization Certified Specialist in Franchise and Distribution Law. If a mediation takes place but does not resolve the dispute, or no mediation takes place, the dispute will be resolved by arbitration by and before JAMS, Inc., in accordance with its Streamlined Arbitration Rules and Procedures (if the amount in controversy is less than $250,000) or (ii) its Comprehensive Arbitration Rules and Procedures (if the amount in controversy is $250,000 or more). Or if the parties mutually agree, the dispute may be submitted to arbitration by and before another mutually acceptable arbitration organization.
v.	Choice of forum	14.1-14.3	7.1	Arbitration proceedings will be conducted in Riverside County, California. Any mediation proceeding will take place at a mutually agreed location in California. Any litigation proceedings will be filed in an appropriate court in California.
w.	Choice of law	16.13	9.1	The Federal Arbitration Act (9 U.S.C. §1 *et seq.*) governs the arbitration of disputes under the Franchise Agreement and the ADA. Otherwise, California law governs the Franchise Agreement (and the ADA if applicable).

ITEM 18: <u>PUBLIC FIGURES</u>

We do not currently pay or provide any other benefit to any other public figure for the right to use his or her name to promote the sale of Lifetime Blinds franchises.

ITEM 19: <u>FINANCIAL PERFORMANCE REPRESENTATIONS</u>

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

We do not make any representation 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 our President Mark Huckins, Lifetime Blinds Inc., 51555 Desert Club Drive, Suite 100, La Quinta, California 92253, telephone (760) 778-6978; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System wide Outlet Summary For years 2014 to 2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
	2014	0	0	0
	2015	0	0	0
Franchised	2016	0	0	0
	2014	0	0	0
	2015	0	1	+1
Company-Owned	2016	1	1	0
	2014	**0**	**0**	**0**
	2015	**0**	**1**	**+1**
Total Outlets	**2016**	**1**	**1**	**0**

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For years 2014 to 2016

State	Year	Number of Transfers
	2014	0
	2015	0
--	2016	0
	2014	**0**
	2015	**0**
Totals	**2016**	**0**

Table No. 3

Status of Franchised Outlets For years 2014 to 2016

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
California	2016	0	0	0	0	0	0	0
	2014	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2015	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Totals	**2016**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table No. 4
Status of Company-Owned Outlets For years 2014 to 2016

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
California	2014	0	0	0	0	0	0
	2015	0	1	0	0	0	1
	2016	1	0	0	0	0	1
Totals	**2014**	**0**	**0**	**0**	**0**	**0**	**0**
	2015	**0**	**1**	**0**	**0**	**0**	**1**
	2016	**1**	**0**	**0**	**0**	**0**	**1**

Table No. 5
Projected New Franchised Outlets As Of December 31, 2016

State or Nation	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	0	2	0
Totals	**0**	**2**	**0**

Exhibit C lists the names, addresses and telephone numbers of all Lifetime Blinds franchise outlets, and the names and telephone numbers of any franchisees that have signed franchise agreements but not yet opened their outlets, as of June 20, 2017.

Exhibit D lists the contact information of every Lifetime Blinds franchisee that had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under its franchise agreement during our most recently completed fiscal year, or that has not communicated with us within the 10 weeks ending on the date of this disclosure document (June 20, 2017). Your contact information may be disclosed if you buy this franchise and then later leave the system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Lifetime Blinds. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. However, during the last 3 fiscal years, we have not signed any agreements with current or former franchisees that included confidentiality clauses.

We have not created, sponsored or endorsed any trademark-specific franchisee organizations associated with the Lifetime Blinds franchise system being offered. There are no independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21: FINANCIAL STATEMENTS

Exhibit B to the disclosure document contains our initial audited financial statement dated June 13, 2017, for the period from inception through June 13, 2017 (we were formed on March 22, 2017, have not been in business for 3 years or more and cannot include all financial statements required under the FTC's Franchise Rule). Our fiscal year end date is December 31.

ITEM 22: CONTRACTS

Exhibit A - Franchise Agreement
Exhibit E - Area Development Agreement

ITEM 23: RECEIPTS

You will find copies of a detachable receipt in Exhibit I at the very end of this disclosure document.