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LIGHTNING RAINGUTTERS FRANCHISE DISCLOSURE DOCUMENT

Rich Franchising Company LLC
A California Limited Liability Company
549 North Rector Way
Fresno, California 93737
(559) 270-9557
www rodsraingutters net

The franchisee will operate a rain gutter services business, providing residential and commercial rain gutter installation, repair, maintenance, and cleaning services for homes, buildings, condominiums, facilities, and other real property

The total initial investment necessary to begin operation of a LIGHTNING RAINGUTTERS franchise business is $51,000 to $74,100 This includes $25,000 that must be paid to the franchisor or its affiliate

The 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 or grant **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 to you To discuss the availability of different formats, contact Rich Franchising Company LLC, 549 North Rector Way, Fresno, California 93737, (559) 270-9557

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 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: ~~January 14~~April 16, 2019

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a 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 "C" for information about the franchisor, about other franchisors, 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

1 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION OR LITIGATION ONLY IN CALIFORNIA OUT-OF-STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE

2 THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 THIS NEW FRANCHISOR HAS BEEN IN BUSINESS SUCH A SHORT PERIOD OF TIME THAT ITS FRANCHISES ARE A HIGHER RISK INVESTMENT THAN FRANCHISORS WITH A LONGER-TERM OPERATING HISTORY

4 THERE MAY BE OTHER RISKS ASSOCIATED WITH THE FRANCHISE

Currently, we do not use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise

STATE EFFECTIVE DATES

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

California ~~January 14, 2019~~

LIGHTNING RAINGUTTERS

DISCLOSURE DOCUMENT

LIGHTNING RAINGUTTERS
DISCLOSURE DOCUMENT
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A	Franchise Agreement
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D	Copy of Current Form of General Release
E	State Addenda
F	List of Franchisees
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Item 1: The Franchisor and any Parents, Predecessors, and Affiliates

Introduction To simplify the language in this Franchise Disclosure Document, unless the context otherwise requires, all references to "Franchisor", "we", "us", or "our" refer to Rich Franchising Company LLC, and all references to "Franchisee", "you", or "your" refer to the person or legal entity granted the right to operate a LIGHTNING RAINGUTTERS franchise under the terms and conditions of the LIGHTNING RAINGUTTERS Franchise Agreement If you are a corporation, limited liability company, or any other type of legal entity allowed by your state law, the term "you" or "your" may apply to your owners, officers or directors A copy of the Franchise Agreement is attached to this Franchise Disclosure Document as Exhibit "A"

The franchise is referenced as the "Franchised Business", "Franchise", or "LIGHTNING RAINGUTTERS business" Our unique and distinctive system for operating LIGHTNING RAINGUTTERS businesses is referenced as the "System" and our current and future trade names, trademarks, service marks and trade dress used to identify LIGHTNING RAINGUTTERS businesses and the services and products offered by LIGHTNING RAINGUTTERS businesses, including the "LIGHTNING RAINGUTTERS" mark and the distinctive color scheme and signage of LIGHTNING RAINGUTTERS businesses is referred to as the "Marks" Our mandatory and suggested specifications, standards and operating procedures for how to operate the Franchised Business, as communicated to you in our operating manuals or through other communications to you, is referred to as our "Methods of Operation" The use of paragraph captions throughout this document is for convenience of reference only and is not intended to change the meaning of any text

The Franchisor We are a limited liability company formed under California law on October 1, 2018 We offer franchises for LIGHTNING RAINGUTTERS businesses Our principal business address is 549 North Rector Way, Fresno, California 93737 Our agent or agents to receive service of process, if any, are in attached Exhibit "C" We intend to do business under our corporate name and under the LIGHTNING RAINGUTTERS name We do not do business under another name

We have been offering LIGHTNING RAINGUTTERS franchises for sale since ~~the Issuance Date of this Franchise Disclosure Document~~ January, 2019 Rich Franchising Company LLC has not in the past and does not now directly operate a business of the type being franchised We have not in the past and do not now engage in other business activities We do not now and have never in the past offered franchises in any other lines of business

Parents and Predecessors There is no parent or predecessor of Rich Franchising Company LLC

Affiliate. Rod's Raingutters Inc , a corporation formed under California law on July 31, 2017, is our affiliate ("Affiliate") Rod's Raingutters Inc 's principal business address is 549 North Rector Way, Fresno, California 93737 Rod's Raingutters operated as a sole proprietorship from October, 2004, to July, 2017 Your franchise is modeled after the gutter services business operated by Rod's Raingutters Inc Rod's Raingutters Inc does not now and has never in the past offered franchises in any line of business You may conduct business directly with Rod's

Raingutters Inc as under the terms of the Franchise Agreement, Rod's Raingutters Inc may be an approved supplier of products and services to franchise locations

Franchise Offered. We sell franchises for the operation of LIGHTNING RAINGUTTERS businesses A LIGHTNING RAINGUTTERS franchise is an independent rain gutter service business providing gutter related services for homes, buildings, condominiums, facilities, and other real property Your Franchised Business will be authorized to offer and provide all our approved services and products to clients in a designated territory

Typically you will provide rain gutters services to single family homes, although you may provide services to commercial properties, condominiums, and other types of real property You will provide homeowners and property owners with an agreed scope of rain gutter related services, including gutter installation, removal, repair, maintenance, and cleaning You will fabricate custom seamless rain gutters at the location at which installation services are required

We will provide you with list identifying the initial package of equipment and tools required to open the Franchised Business You must use all specified equipment maintained in compliance with our standards You will be required to operate an authorized vehicle to travel to customer locations as a routine function of the Franchised Business, typically traveling daily during a standard Monday through Friday work week for client estimates, for providing rain gutter services, and for client follow-ups

You may only operate the Franchised Business from an approved business location and any authorized vehicle that you use in the operation of the Franchise Business must be parked at the approved location when not in use for services or activities related to operation of the Franchised Business Throughout the term of the Franchise Agreement, we may require you to attend mandatory industry professional organization training that we designate as a condition of operating the Franchised Business Additionally, you must pass all required state or local licensing exams required as a condition of operating the Franchised Business

Customers. Generally our services are sold to residential customers and commercial businesses which require rain gutter related services All LIGHTNING RAINGUTTERS businesses operate under our distinctive business formats, methods, procedures, designs, layouts, standards and specifications, all of which we may improve, further develop or otherwise modify periodically

Competition. You will have to compete with other national, regional, and local businesses offering similar services and products The services and related products you will sell are recognized by consumers and are generally available from other sources The market for the services you will sell is developing Our services and related products are sold principally to individuals Generally, selling is not seasonal

Compliance with Laws You should consider that certain aspects of any business are regulated by federal, state and local laws, regulations, rules, and ordinances ("laws") in addition to the laws applicable to businesses generally, such as Federal Wage and Hour Laws, and the

Occupation, Health and Safety Act Various federal, state, and local laws may impact the operation of your franchise

We are aware of local and state specific statutory requirements that apply to the licensing, registration or certification of rain gutter services businesses or that establish standards of practice and performance of businesses providing home improvement services or construction related services You may need to obtain and maintain a general contractor's license or other trade licenses in order to operate the Franchised Business Typically, the licensing, registration or certification process for rain gutter businesses involves a combination of education, experience and testing requirements Additionally, you may need to maintain a contractor license bond in your state or local jurisdiction as a requirement of operating the Franchised Business

Other than the laws relating to the rain gutter services industry, and the laws that apply to businesses generally, we are not aware of any other laws or regulations that are specific to the industry in which LIGHTNING RAINGUTTERS franchises operate It is your responsibility to fully investigate and comply at all times with all the laws and regulations applicable to your business, including, but not limited to, existing, pending or future laws or regulations related to licensing of home improvement contractors or fair trade practices You should fully investigate all laws applicable to operating the Franchised Business before you decide to purchase a franchise

Item 2. Business Experience

Rodney Rich, Chief Executive Officer

Rodney Rich is our Chief Executive Officer, a position he has held since October, 2018 Mr Rich also is the Chief Executive Officer of Rod's Raingutters Inc in Fresno, California, a position he has held since July, 2017 Mr Rich was the Owner of Rod's Raingutters in Fresno California from October, 2004, to July, 2017

Item 3: Litigation

No litigation is required to be disclosed in this Item

Item 4: Bankruptcy

No bankruptcy information is required to be disclosed in this Item

Item 5. Initial Fees

Initial Franchise Fee. The Initial Franchise Fee is $25,000 The Initial Franchise Fee is payable from you to us when you sign the Franchise Agreement and is non-refundable

Item 6: Other Fees

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty	9% of Gross Revenue[1]	Monthly	Paid to us for our ongoing support and your use of the Marks and System
Customer Contact Fee	The product of $5 and the total number of customer contacts in which we engage on behalf of the Franchised Business	Monthly	Paid to us for customer support services we provide to you
Professional Organization Fees	The actual amount to belong to any required professional organization, to attend any required training, or to participate in any required warranty program	When invoice is received	Paid for any required membership, training, or warranty program
Interest	Varies, but typically may range between 5% to 15% depending on the state in which you operate	When underlying obligation is paid[2]	Highest contract rate of interest permitted by law The maximum interest rate in California is 10% annually
Additional Required Training Fees	Varies, but base amount is $300 per day per person trained	As we and you agree	Paid to us for additional required training May not be uniformly imposed depending on specific circumstances
Per Day Fee	$500 per person, subject to change	As we and you agree	Paid to us if you need us to help you operate the Franchise May not be uniformly imposed depending on specific circumstances
Advertising Fee	1% of Gross Revenue[1]	Monthly, when the Royalty is paid	Paid to us to promote the Marks and the System regionally or nationally
Auditing Costs[1]	Actual Costs	Reimbursement of our actual auditing costs	We assess this charge only for audits needed in the event you fail to comply with the Franchise Agreement, fail to allow full access to your records, or we find that you underreported your Gross Revenue by 2% or more for two or more reporting periods
Transfer Fee	$5,000	Concurrently with the transfer	Paid to us if you want to transfer the Franchise to a third party
Renewal Franchise Fee	$5,000	Concurrently with our granting a renewal of your franchise	Paid to us if you sign a new franchise agreement upon expiration of the initial franchise agreement

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Costs and Attorney's Fees	Actual Costs	Reimbursement of our actual costs	Paid to us by you for accounting, attorney and other professional fees if an action is brought against you for breach of the Franchise Agreement

All fees may be uniformly imposed by us in our sole business judgment All fees payable to us are non-refundable

[1]As the term is used in the Franchise Agreement, "Gross Revenue" means all revenue you derive from operating the franchise, and whether from cash, check, credit, or barter transactions, but excluding all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority and excluding customer refunds, adjustments, credits and allowances actually made by the franchise in compliance with our Methods of Operation

[2]Interest accrues from the date any payment is due, with compounding as permitted by law

Item 7: Estimated Initial Investment

Your Estimated Initial Investment

Category of Investment	Amount	Method of Payment	When Due	To Whom Paid
Initial Franchise Fee	$25,000	Lump sum	When you sign the Franchise Agreement	Us
Initial Equipment Package[1]	$12,000 - $15,000	As Arranged	As Arranged	Approved Suppliers
Leasehold Improvements[2]	$0	As Arranged	As Arranged	Approved Suppliers
Vehicle[3]	$0 - $7,500	Terms vary	At time of lease	Approved Suppliers
Technology and Office Equipment[4]	$250 - $1,000	As Arranged	As Arranged	Approved Suppliers
Start-Up Marketing[5]	$5,000 - $7,500	As Arranged According to our Methods of Operation	As Arranged According to our Methods of Operation	Advertisers
Insurance[6]	$1,500 - $2,500	Terms vary	Before beginning to operate	Insurance companies
Professional Fees[7]	$250 - $1,500	Terms vary	Terms vary	Accountants, lawyers, etc

Category of Investment	Amount	Method of Payment	When Due	To Whom Paid
Licenses/Bonds[8]	$500 - $1,000	Lump sum on application	Before beginning to operate	Government agencies and bonding companies
Lease Deposits[9]	$0 - $600	Lump sum	Before beginning to operate	Landlord
Your Out-of-Pocket Expenses While Attending Training[10]	$1,500 - $2,500	Terms vary	Terms vary	Airfare, ground transportation, meals, lodging, etc
Working Capital (Additional Funds over next 3 months)[11]	$5,000 - $10,000	Terms vary	Amount varies over the next 3 months	Prior to and during the 3 month period after beginning of operations
Total	$51,000 - $74,100	(Excluding real property)		

1 The required initial equipment includes a seamless gutter machine, utility trailer, signage, equipment, and tools that you need to operate the Franchised Business

2 We have not provided an estimate for leasehold improvements as we expect you may operate the business out of your home or from an existing business location that doesn't require leasehold improvements You are not required to lease a location or to purchase any real property in order to operate the Franchised Business

3 The low estimated amount is if you have an acceptable vehicle already The high estimated amount is for an initial payment for the purchase of a later model vehicle of which we approve

4 The estimated amounts are for required technology, software, and office equipment you need to operate the Franchised Business

5 You must spend at least $5,000 for the required initial marketing program

6 We have provided an estimate for the first year insurance premiums for the minimum commercial general liability insurance and commercial automobile insurance amounts that we require for the Franchised Business Our estimate includes obtaining commercial automobile insurance for one vehicle and your insurance premiums may be higher if you operate multiple vehicles See Item 8 for additional information

[7] Professional fees may include setting up a corporation or other business entity, filing the necessary forms, setting up an accounting system, etc

[8] This is an estimate of the cost of potential licenses and bonds you may need to obtain prior to operating the business

[9] The low estimated amount is if you elect to operate the business out of your home The high estimated amount is for an initial lease deposit if you elect to operate the business out of a business location

[10] The initial training program is 7 days The estimated amount includes potential travel and living expenses for up to 2 people to attend initial training

[10] Additional funds are an estimate of the amount of cash required to cover any operating expenses during your first 3 months of operation

These expenses are estimates of your initial investment in one business before beginning to operate and for the first three months thereafter We cannot guarantee that you will not have additional expenses starting the business

Your costs will depend on how closely you follow the LIGHTNING RAINGUTTERS Methods of Operation, your management skill, experience and business acumen, local economic conditions, the acceptance by local consumers of our approved services and products, prevailing wage rates, competition, etc We make no estimate regarding real estate acquisition costs We do not require you to acquire real estate to operate your LIGHTNING RAINGUTTERS business We make no representation as to whether any of the estimated investment amounts are refundable We relied upon our Affiliate's experience in operating a similar business to the Franchised Business in compiling these estimates 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

The personal property listed in Item 7 must be purchased by you from us, our Affiliate, our approved suppliers, or according to our specifications

Each vehicle that you use in the operation of the Franchised Business must be a late model vehicle for which we have provided you with our written notice as complying with our specifications

You must use our designated online scheduling system Any computer software and hardware we require you to use is not our proprietary property You must use the services of our approved credit card processing vendor for any credit card transactions processed for the Franchised Business

You may only offer the services and products that we authorize and approve Our approved suppliers and specifications are contained in our Operating Manual Approved suppliers and specifications are determined based on the current needs for operating the

Franchised Business As of the date of this disclosure document, none of our officers own any interest in any of our approved suppliers other than in us and our Affiliate

We evaluate approved suppliers based on price, service, quality, and other commercially reasonable benchmarks The identity of approved suppliers and these specifications are updated periodically in writing by modifying the appropriate pages of the Operating Manual We will send you modified pages electronically, through the United States Mail, or by any other commercially reasonable means we determine in our business judgment We have procedures for approving vendors and suppliers you recommend It takes up to 90 days to evaluate new vendors or suppliers after we have received all information we require concerning the proposed vendor or products or services, including our obtaining any testing results we specify, in our sole business judgment

We may approve or disapprove any supplier, and we may approve a supplier conditionally, provided, however, that approval will not be withheld unreasonably In evaluating any supplier you propose, we will, subject to reasonable restrictions and conditions to protect our trade secrets and confidential information, disclose to the proposed supplier applicable standards, specifications, processes, and procedures for the item in sufficient detail to enable the proposed supplier to demonstrate fully its capacity and capabilities to supply the items Within 90 days after we receive all requested information, we will communicate to you in writing our decision to approve or disapprove your proposed supplier We may disapprove any supplier who we previously approved, and you may not, after receipt of notice of disapproval, reorder from any supplier we have disapproved

We may prescribe procedures for the submission of requests for approval and impose obligations on approved suppliers, which will be incorporated in a written license agreement with the supplier We may obtain from you and/or the approved supplier reimbursement of our reasonable costs and expenses incurred in the approval process and on-going monitoring of the supplier's compliance with our requirements We estimate the typical range of supplier/product review costs may be from $500 to $2,000

We do not act as an agent, representative or in any other intermediary or fiduciary capacity for you in our relationship with an alternative supplier you propose and we approve We may impose limits on the number of approved suppliers We have the right to monitor the quality of goods or services provided by approved suppliers in a manner we deem appropriate and may terminate any supplier who does not meet our quality standards and specifications, as may be in effect periodically

We attempt to negotiate purchase agreements with approved suppliers for the benefit of our company locations and franchisees We attempt to negotiate purchase arrangements with third-party suppliers (including price terms) for the benefit of all LIGHTNING RAINGUTTERS businesses, including those owned by franchisees We do not provide material benefits (for example, renewal or additional franchises) to a franchisee based on the use of designated or approved suppliers

If you purchase any products or services from us or any affiliate, the maximum markup you will pay us is 50% over our cost for the product or service plus any related shipping costs

The total estimated proportion of all required purchases and leases from approved vendors in relation to all purchases and leases you will make in establishing the Franchised Business is 42% to 50% The total estimated proportion of all required purchases and leases from approved vendors in relation to all purchases and leases you will make in operating the Franchised Business on a continuing basis is less than 30%

Insurance

You must maintain in force (a) commercial general liability (including completed operations/product liability) insurance, (b) All Risk property insurance, including fire and extended coverage, vandalism and malicious mischief insurance, for 100% of the replacement value of your LIGHTNING RAINGUTTERS franchise and its contents, and (c) any other insurance policies, like errors and omissions, business interruption insurance, automobile insurance, sexual harassment insurance, unemployment insurance, excess umbrella insurance and worker's compensation insurance (with a broad form all-states endorsement), as we may determine periodically and as required by law All insurance policies must (1) be issued by carriers approved by us, (2) contain the types and minimum amounts of coverage, exclusions and maximum deductibles as we prescribe periodically, (3) name us and our affiliates as additional insureds, (4) provide for 30 days' prior written notice to us of any material modification, cancellation or expiration of such policy, and (5) include such other provisions as we may require periodically

Identified below is an outline of the types of insurance and minimum policy limit amounts that currently we require for each franchised LIGHTNING RAINGUTTERS business If your state requires greater coverage amounts for the categories listed below, you must obtain and maintain coverage as required by your state We require you to use our designated insurer as a condition of the Franchise Agreement

Policy Type:	Commercial General Liability Package	
Term.	12 Months	
Policy Limits·	Each Occurrence Limit	$1,000,000
	Damages to Premises Rented to You Limit	$300,000
	Medical Expense Limit	$10,000
	Personal & Advertising Injury Limit	$1,000,000
	General Aggregate Limit	$2,000,000
	Products-Completed Operations Aggregate Limit	$2,000,000
Policy Type.	Business Automobile Liability Package	
Term:	12 Months	
Policy Limits	Covered Autos Liability Limit	$1,000,000

Workers' Compensation. Statutory (with All States Broad Form)

Please be aware that in the event you rent space for the franchise location, the landlord may have its own insurance coverage requirements that apply additionally to our requirements for insurance coverage

We may terminate your franchise if you purchase services and goods that are not according to our specifications or that are not from our approved suppliers

We ~~have~~did not derive~~d~~ any revenue from franchisee required purchases ~~as of the Issuance Date of this Franchise Disclosure Document~~during our fiscal year ending December 31, 2018

There are no purchasing or distribution cooperatives at this time

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	Disclosure Document Item
a Site selection and acquisition/ lease	8	7, 11
b Pre-opening purchases / leases	8, 9, 10	6, 7
c Site development and other pre-opening requirements	6, 8, 9, 10, 11	7, 11
d Initial and ongoing training	10	11
e Opening	6 1	11
f Fees	2, 3, 7 4, 10, 12 7, 13 1 8, 17 1 1, 17 5, 20 4 5, 20 6, 21 2, 25 9, 25 12 4	5, 6
g Compliance with standards and policies / Operations Manual	4, 12	11
h Trademarks and proprietary information	14, 15, 23 2, 23 3	13, 14
i Restrictions on products/services offered	12	16
j Warranty and customer service requirements	12 7	1
k Territorial development and sales quotas	4	12
l Ongoing product/service purchases	12, 13	8
m Maintenance, appearance and remodeling requirements	9, 21 1	7, 11
n Insurance	11 5, 12 2 13	7
o Advertising	13 1 4, 17	6, 7, 11
p Indemnification	24 4	N/A
q Owner's participation/ management/ staffing	4, 5, 12 2 8	11, 15

Obligation	Section in Franchise Agreement	Disclosure Document Item
r Records/reports	12 2 12, 18	6
s Inspections/audits	19	6, 11
t Transfer	20	17
u Renewal	21	17
v Post-termination obligations	23	17
w Non-competition covenants	16, 23 4	17
x Dispute resolution	25	17

Item 10: Financing

We do not offer direct financing We do not guarantee any note, lease or other of your obligations

Item 11: Franchisor's Assistance, Advertising, Computer Systems, and Training

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

Franchise Agreement

Our obligations prior to beginning operation of your LIGHTNING RAINGUTTERS Franchised Business (see Franchise Agreement Articles 8, 10, 11) may include

Operating Manual (Franchise Agreement Article 12.1). We offer our Operating Manual as guidance in the operation of your Franchised Business You must follow the terms of the Operating Manual's current edition We may update or revise the Operating Manual periodically We will provide you with these updates You will be permitted to view our Operating Manual at our main office in Fresno, California prior to the purchase of the franchise

Site Selection (Franchise Agreement Article 8). You select the business address for your franchise location, subject to our acceptance If we do not accept a site you propose, you may select another site, subject to our acceptance We will provide you with our standard site selection criteria and/or on-site evaluations of sites, as we deem appropriate

We will review any proposed site information and determine whether to accept or reject the site after considering factors we deem appropriate, including the general location and neighborhood, zoning and other physical characteristics of the site We will provide you with our notice of acceptance or rejection of a site within 10 business days after you provide all information we request concerning the proposed site If you and we can't reasonably agree on a suitable location for your franchise within 90 days of your signing the Franchise Agreement, we may terminate the Franchise Agreement and return the Initial Franchise Fee

We estimate the time from the date you sign the Franchise Agreement to the date you open your Franchised Business to be between 60 and 90 days This time estimate may vary depending on various factors, including obtaining financing and scheduling initial training with us We will provide initial training periodically, depending on the need to train franchisees You must begin operating your Franchised Business within 90 days of your signing the Franchise Agreement, or we may terminate the Franchise Agreement and retain the Initial Franchise Fee

Training (Franchise Agreement Article 10)

Pre-Opening Training. Pre-opening training will be held at our training location, currently in Fresno, California Training is held during specified times of the year Initial training will consist of 7 days of training for your Managing Owner and 1 additional owner or employee you elect to enroll in the training program You will be responsible for all expenses incidental to attending the training, such as travel and lodging expenses

Your Managing Owner must attend and successfully complete all required pre-opening training prior to the opening of your Franchised Business Failure of your Managing Owner to successfully complete the initial training may result in termination of the Franchise Agreement

The instructional material for initial training may consist of our Operating Manual, online information, video, checklists, demonstrations, practice and quizzes The initial training program will be provided substantially as follows

INITIAL TRAINING PROGRAM

SUBJECT	HOURS OF CLASS-ROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Administration	4	0	Fresno, California
Gutter Services Operations -Estimates -Installations -Maintenance -Cleaning -Repairs	12	36	Fresno, California
Advertising, Marketing and Customer Service	4	0	Fresno, California

It is the nature of the LIGHTNING RAINGUTTERS business that all subjects are integrated into the training program, and that there are no clear delineations between the subjects being learned Rodney Rich, our Chief Executive Officer, is our principal trainer for the initial training program Mr Rich has experience in training individuals in all subject areas required to operate a business similar to the Franchised Business since 2004

Ongoing Training. Additional training may be provided by us, our Affiliate, or by our designated vendor on an ongoing basis, which we may, in our sole business judgment, require you to attend at our specified training location You will be responsible to pay all of the travel, living, wage, and other related expenses incurred in connection with the attendance of any individual at any additional training we require you to attend We may charge you our reasonable fees for us, or our Affiliate, to provide any additional training to you

On-site Training At your request, or if we require, our representative may visit you in your Territory and provide additional on-site training We will furnish additional guidance and assistance through this training If you request or if we require, we will provide additional training for your employees You will be responsible to pay all of the expenses that we incur in connection with any on-site training in your Territory, including per day charges and travel and lodging expenses for our representative

Continuing Obligations

Operating Assistance (Franchise Agreement Article 13). We will respond to your questions regarding operational issues and provide support on an as-needed basis

Advertising and Marketing (Franchise Agreement Article 17). We may administer an Advertising Fund, using it to prepare and produce advertising, public relations, market research and promotional programs in media we select, potentially including print, radio, television, or Internet, including the LIGHTNING RAINGUTTERS website This may be done in house or through outside vendors The advertising and marketing efforts may be national, regional or local There is no guarantee that these efforts will be effective in your geographic area or that any given advertising campaign will be run in your area

The Advertising Fund is funded by advertising and marketing fees paid by Franchisees You must contribute to the Advertising Fund the amounts that we periodically specify to you, which will not exceed 1% of your Gross Revenue We (or our affiliates) may, in our sole business judgment, contribute to the Advertising Fund There is no obligation for us to contribute to this fund The fees contributed by franchisees are not in a "trust," and are not held by us in any fiduciary or similar special relationship No relationship is created beyond an ordinary commercial relationship for our mutual economic benefit

In any fiscal year, we may spend an amount greater or less than the contributions to the Advertising Fund for that year We may carry over deficits or surpluses from year to year We will separately account for the Advertising Fund and will provide an annual unaudited statement of the Advertising Fund upon your written request We are under no obligation to refund any

unspent contributions when the Franchise Agreement is terminated or expires We ~~have~~did not collect~~ed~~ any advertising fund ~~amounts as of the Issuance Date of this Franchise Disclosure Document~~monies during our fiscal year ending December 31, 2018

We will provide you with start-up marketing materials and templates Additional marketing materials, business cards, shirts, printed materials and other related items utilizing the LIGHTNING RAINGUTTERS Marks must be purchased through our designated vendors There is no guarantee of success from these materials If you require additional or specialized advertising or promotional materials we will develop the materials for you upon your written request and you must pay us any required fees You may not use or distribute any marketing materials that we have not authorized

Presently we do not have any advertising cooperatives to which you are required to belong We have the ability to require cooperatives to be formed, changed, dissolved or merged We may establish or approve local and/or regional advertising cooperatives in your local or regional areas, covering the geographical areas we may designate in our sole business judgment You must participate in any designated cooperative and its programs and abide by its by-laws Each cooperative will utilize a voting system of one vote per one eligible business Each cooperative will be managed by its members No changes in the by-laws or other governing documents of a cooperative will be made without our prior written consent You and each other member of the cooperative will contribute to the cooperative, using a collection structure selected and established by us, the amount determined in accordance with the cooperative's by-laws If we establish any cooperatives, each cooperative will prepare annual or periodic financial statements which will be available for review by prospective franchisees

In addition to the Advertising Fund requirements identified above, you must spend not less than $5,000 for a required initial marketing program either prior to opening or within 60 days of opening the Franchised Business Each consecutive 365 days period during the term of the Franchise Agreement you must spend at least $24,000 for locally marketing the Franchised Business

Computer Requirements (Franchise Agreement Article 12). Any software or hardware that you are required to use is not our proprietary property You must use our designated online scheduling system in operating the Franchised Business

You will need an Apple® Ipad table computer for operating the Franchised Business Your will use the Apple® Ipad computer to access our required online scheduling system and report forms, to communicate with us through the Internet, and to create digital correspondence and records related to the Franchised Business We estimate the cost of an Apple® Ipad computer may range between $500 and $1,000 Also, each individual employed by the Franchised Business will need an approved smartphone Currently there is no mandatory maintenance or updating program for computers that we require you to purchase

Additionally, you will need to purchase Quickbooks online software for invoicing and financial record keeping for the Franchised Business We estimate the current cost of the required version of Quickbooks online software is $15 per month The Quickbooks software is

available from Intuit, Inc , 2700 Coast Avenue, Mountain View, CA 94043, Phone 650-944-6000

It will be your responsibility to find an Internet Service Provider Also, you may need additional office equipment such as a laptop or personal computer, a computer printer, and a copier We approve suppliers for hardware and software (see Item 8 above) You are responsible, at your own expense, for upgrading all computer hardware and software, as necessary, in order to bring the franchise into compliance with our system standards We have the right, as often as we deem appropriate, including on a daily basis, to access any computer systems maintained in connection with the operation of the franchise and to retrieve all information relating to the operation of the franchise (Franchise Agreement Article 18 2)

Item 12: Territory

Your Territory. For each Franchised Business, you will be granted a specific non-exclusive territory (the "Territory") in which to operate your franchise Your Territory will be defined as a specific geographic area identified using commonly understood state, county, municipal or postal area definitions You will not receive an exclusive territory You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control

We will not operate, or license another person to operate another LIGHTNING RAINGUTTERS business within your Territory We will take any reasonable steps we consider necessary to prevent any other person from operating a LIGHTNING RAINGUTTERS business within the Territory upon our becoming aware of any related activity

Territory Population Limit. There is no minimum area granted to a franchisee but our typical franchise territory formula is that your Territory will contain not less than 200,000 people The basis for determining the approximate size of a typical territory is the experience of our Affiliate in operating in the Fresno, California area market

Territorial Protection Dependent on Required Customer Satisfaction and Customer Retention (Section 12.7). For any customer service program or customer retention program we require for the Franchised Business, you must achieve customer satisfaction index results or customer retention rate results in accordance with our then-current benchmark requirements in the System Your failure to achieve either the required customer satisfaction index score results, or the required customer retention rate results, is grounds either for us to require your mandatory attendance at any remedial training program that we specify, or for us to allow other franchisees to operate in your Territory, or for us to terminate the Franchise Agreement

Other than your failure to achieve the required customer satisfaction index or customer retention rate results, we will not modify the definition of your Territory rights except by mutual written agreement

Conducting Business Outside of the Territory (Section 7.1.1). You may not offer or sell any services or products to a customer account location situated outside of the Territory

without our prior written approval You must notify us of all inquiries for services or products received from any prospective customer account situated outside your Territory We will forward these types of inquiries to the franchisee, if any, in whose territory the prospective customer account is situated If there is no existing franchisee within whose territory the prospective customer account is situated, we may allow you to provide services or products to such customer account for so long as the customer account is not located in the territory of another franchisee

The Business Location The Franchise Agreement grants to you the right to own and operate a LIGHTNING RAINGUTTERS business at a specific principal business address You may not conduct the business of your LIGHTNING RAINGUTTERS business at any site other than the approved principal business address, or relocate your LIGHTNING RAINGUTTERS principal business address without our prior written consent In our sole business judgment we may approve of the relocation of your franchise business address in certain circumstances, for example where a similar location is available with more favorable lease terms or where the physical condition of the franchise business location requires that you move to another location You must pay all our reasonable expenses incurred in evaluating any proposed relocation site for the Franchised Business and are responsible for all expenses you incur in moving to the new location

By virtue of signing the Franchise Agreement, you do not obtain any additional options, rights of first refusal, or similar rights to acquire additional franchises We do not currently operate, or franchise the operation of any other business selling under different trademarks any services similar to the services offered by LIGHTNING RAINGUTTERS businesses, and presently we do not have any plans to do so

Our Rights. Except for rights expressly granted to you under the Franchise Agreement, we retain all of our rights with respect to the Marks, the System and LIGHTNING RAINGUTTERS businesses anywhere in the world, including the following rights, without compensation to you

1 outside the Territory we have the right to establish and operate (directly or through an affiliate), and to grant to others the right to establish and operate, any business of any kind,

2 we have the right to establish and operate (directly or through an affiliate), and to grant to others the right to establish and operate, within the Territory and elsewhere, businesses other than LIGHTNING RAINGUTTERS businesses,

3 we have the right to host one or more websites on the Internet that advertise LIGHTNING RAINGUTTERS businesses and the services and products they offer and that allow potential clients to contact LIGHTNING RAINGUTTERS businesses throughout the world, even though a website is accessible to or viewable by persons in the Territory,

4 we have the right to advertise and promote the LIGHTNING RAINGUTTERS services and products through broadcast, print and electronic media that are broadcast, delivered or otherwise transmitted into the Territory,

5 we have the right to offer and sell any services and products within the Territory and elsewhere under any trade names, trademarks, service marks or trade dress, including the Marks, through any alternative channels of distribution, and

6 we have the right to acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere or business conducted anywhere These transactions may include arrangements involving competing businesses or outlets and dual branding or brand conversions

National Accounts. Periodically we may enter into agreements with certain regional or national businesses (each a "National Account") to provide services to clients at designated National Account locations We will identify and designate any National Account in our Operating Manual, and periodically we may add or remove National Accounts We have sole business judgment on who may provide services or products to any National Account, including at a single location of any such National Account We may, in our sole business judgment, offer you the opportunity to accept and provide services or products under the terms of any such National Account agreement (including, without limitation, any central invoicing or fixed fee terms) In the case of a National Account agreement under which the client will pay a fixed amount for services or products at all locations listed in such agreement, we will allocate reasonably such fixed amount among the LIGHTNING RAINGUTTERS businesses providing the services or products

Item 13: Trademarks

You will operate under the LIGHTNING RAINGUTTERS mark as the principal mark of your Franchised Business We do not have a federal registration for our principal mark 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

Our principal trademark ("Marks") is

TRADEMARK	APPLICATION NUMBER	DATE OF APPLICATION	REGISTER
LIGHTNING RAINGUTTERS	88082360	August 17, 2018	Principal

The LIGHTNING RAINGUTTERS mark is owned by our Affiliate Rod's Raingutters Inc We have a 10 year license agreement with Rod's Raingutters Inc to use the LIGHTNING RAINGUTTERS mark in the operation of the franchise system The license agreement is renewable by both parties for additional 1 year periods after the expiration of the initial 10 years The license agreement may be terminated at any time by either party upon delivery of written notice The license agreement does not significantly limit our right to use the mark, or license the use of the mark, in a manner material to the franchise

You must follow our operating procedures when you use our trademarks You cannot use our trademarks as part of your corporate name You may not use our trademarks in the event you wish to advertise the sale of your Franchise

There are no currently effective material determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, or the trademark administrator of any state or any court There are no pending infringements, oppositions or cancellations concerning our principal trademark There is no pending material litigation involving the principal trademark We have filed all required affidavits

We are not obligated, by the terms of the Franchise Agreement or otherwise, to protect your right to use the principal trademark, and we are not obligated to protect you against claims of infringement or unfair competition arising out of your use of the principal trademark We have no actual knowledge of superior prior rights or infringing uses that could materially affect your use of the principal trademark in the state where your LIGHTNING RAINGUTTERS Franchise may be located

Item 14· Patents, Copyrights, and Proprietary Information

At this time, we do not hold any patents We do claim copyright protection for our Operating Manual, advertising materials and certain other proprietary documents We have not filed a registration of these copyrights due to public disclosures which would be necessary to do so

The Operating Manual, operating methods, business procedures and all client information, including names, addresses and all financial information are considered confidential and proprietary information You may not use this information in any other business or in any other way not authorized by us in writing

Item 15: Obligation to Participate in the Actual Operation of the Franchise Business

As identified in the Franchise Agreement, you must designate one "Managing Owner" for the Franchised Business You will provide us with the name and necessary contact information, such as address and telephone numbers, of this person In the event we need to contact you, we will contact the Managing Owner This person will have all authority necessary to carry out day to day business decisions, answer any questions or requests we have, and bind you The Managing Owner is responsible for the day to day management and operation of the Franchised Business and must successfully complete the pre-opening training program

You and your employees are subject to certain confidentiality requirements You and your owners are also subject to a covenant not to compete You must individually guarantee performance under the Franchise Agreement Depending on your form of ownership of the Franchise (for example as a corporation) multiple individuals may need to sign guarantees of performance as owners of the Franchised Business

Item 16: Restrictions on What the Franchisee May Sell

Services and Products. You may only offer and sell those services and products that we have approved You must offer all services and products that we designate as required for all franchisees We may change, add or discontinue services and products that you must offer through your franchise There are no limits on our right to do so

If you propose to us to offer any services or products then not currently authorized by us under the Franchise Agreement and our Methods of Operation, you must submit to us, in writing, sufficient information that we require to determine whether you may offer the proposed services or products We will notify you, in writing, within 90 days of our receipt of your inquiry, of our decision whether to allow you to offer the alternative services or products

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 Franchise Disclosure.

PROVISION	ARTICLE IN FRANCHISE AGREEMENT	SUMMARY
a Length of the Franchise	1 2	Term is 10 years
b Renewal or extension of the term	21	Successive 10 year terms may be granted if you are not in default of any provisions of the Franchise Agreement
c Requirements for franchisee to renew or extend	21	Execute a new franchise agreement and pay a renewal franchise fee
d Termination by franchisee	22 1	By operation of law only
e Termination by franchisor without cause	N/A	We will not terminate without cause
f Termination by franchisor with cause	22 2	Material, uncured breaches of the Franchise Agreement
g "Cause" defined – curable defaults	22 2	You may cure certain deficiencies in the operation of the franchise (such as payment to us of overdue amounts, submission of required reports, violation of health, sanitation or safety laws, failure to file the required number of tax returns, etc) which if uncured would result in the termination of the Franchise Agreement

PROVISION	ARTICLE IN FRANCHISE AGREEMENT	SUMMARY
h "Cause" defined – non-curable defaults	22 2	Certain deficiencies in the operation of the franchise (such as you or your owners conviction of a felony, your disclosure of Confidential Information, your making a material misrepresentation or omission in connection with your purchase of the franchise, etc) are inherently incurable and will result in termination of the Franchise Agreement
i Franchisee's obligations on termination/nonrenewal	23	Pay us what you owe us, cease using the Marks, and follow our termination procedures, assign your customers, cancel fictitious business names, adhere to the covenant not to compete in the Franchise Agreement
j Assignment of contract by franchisor	20 1	Fully transferable by us
k "Transfer" by franchisee - definition	20 3	Includes any transfer of ownership
l Franchisor's approval of transfer by franchisee	20 2	Our approval of any transfer is required prior to your transferring the Franchise to a third party However, will not unreasonably withhold our approval where the proposed transferee meets all our conditions for approval
m Conditions for franchisor approval of transfer	20 4	The proposed transferee must meet our standards as to character, financial resources, and willingness to assume the existing obligations under the Franchise Agreement, sign our then-current form of franchise agreement, and complete training
n Franchisor's right of first refusal to acquire franchisee's business	20 9	We can match any offer for your Franchise
o Franchisor's option to purchase franchisee's business	23 6	60 day option upon termination or expiration
p Death or disability of franchisee	20 6	You must appoint a manager upon the death or permanent disability of the Managing Owner
q Non-competition covenants during the term of the franchise	16 1	No direct or indirect interest in a Competitive Business
r Non-competition covenants after the franchise is terminated or expires	23 4	After termination or expiration of the Franchise Agreement, you and your owners may not operate a similar type of business for a period of 24 months that is operating within the Territory, or within 100 miles of the principal business address, or within 100 miles of the principal business address of any other LIGHTNING RAINGUTTERS business operating on the effective date of termination or expiration
s Modification of the agreement	25 16	Must be in writing

PROVISION	ARTICLE IN FRANCHISE AGREEMENT	SUMMARY
t Integration / merger clause	25 18	Only the terms of the franchise agreement are binding (subject to state law) Any promises outside the disclosure document and franchise agreement may not be enforceable
u Dispute resolution by arbitration or mediation	25 12	All disputes resolved by mediation or arbitration except for actions for declaratory or equitable relief, actions in ejectment or for possession of any interest in real or personal property, or actions which by applicable law can't be arbitrated
v Choice of forum	25 14	Applicable forum is the State of California, unless superseded by the laws of another State
w Choice of law	25 13	California (unless superseded by state law), except for arbitration which is covered by the Federal Arbitration Act

Item 18: Public Figures

There are no public figures involved in the sale of this franchise

Item 19: Financial Performance Representations

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Rich Franchising Company LLC, 549 North Rector Way, Fresno, California 93737, (559) 270-9557, the Federal Trade Commission, and the appropriate state regulatory agencies

Item 20: Outlets and Franchisee Representations

Table No. 1
Systemwide Outlet Summary
For Years 2016 to 2018

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2016	0	0	0
	2017	0	0	0
	2018	0	0	0
Company-Owned	2016	1	0	1
	2017	1	0	1
	2018	1	0	1
Total Outlets	2016	1	0	1
	2017	1	0	1
	2018	1	0	1

Table No. 2
Transfers From Franchisees to New Owners (Other than the Franchisor)
For Year 2016 to 2018

Column 1 State	Column 2 Year	Column 3 Number of Transfers
We ~~do~~did not have any franchises ~~currently~~in these years	2016	0
	2017	0
	2018	0

Table No. 3
Status of Franchised Outlets For Years 2016 to 2018

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina-tions	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations -Other Reasons	Column 9 Outlets at End of the Year
We ~~do~~did not have any franchises ~~currently~~in these years	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0

Table No 4
Status of Company-Owned Outlets For Years 2016 to 2018

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
California	2016	1	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
Total	2016	1	0	0	0	0	1
	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1

Table No. 5
Projected Openings as of December 31, 2018

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the 2019 Fiscal Year	Column 4 Projected New Company-Owned Outlets in 2019 Fiscal Year
California	0	~~1~~3	0
Total	0	~~1~~3	0

We added 2 franchises in California in 2019 Please find below the contact information for these franchise locations

Brandon Dean 5893 East Ramona Avenue Fresno, California 93727 Phone 559-387-0939	Jason Newell 1621 Tollhouse Lane Clovis, California 93611 Phone 559-908-5390

We have communicated with all our franchisees within 10 weeks of April 16, 2019

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system During the previous three fiscal years, no franchisee signed any confidentiality clauses which restricted the franchisee from freely communicating with prospective franchisees concerning the franchisee's experience with the franchise system

We do not have any trademark-specific franchisee organizations associated with the franchise system

Our Fiscal Year Ends on December 31

Item 21: Financial Statements

Attached to this disclosure document as Exhibit "B" are our ~~initial reviewed financial statements, as of October 15, 2018 Prospective franchisees should be advised that no Certified Public Accountant has audited these figures or expressed an opinion with regard to content or~~

~~form of our initial reviewed financial statements~~ audited financial statements, as of December 31, 2018

Rich Franchising Company LLC has not been in business for three years and therefore presently is not able to disclose all financial statements that will be required to be disclosed in the future under the Federal Trade Commission's Franchise Rule

Item 22: Contracts

Attached to this disclosure document as Exhibit "A" is our Franchise Agreement with Appendices (A) Franchise Ownership and Management, (B) Location and Territory, (C) Guaranty and Assumption of Obligations (D) Electronic Funds Transfer Authorization, and Acknowledgment Addendum to LIGHTNING RAINGUTTERS Franchise Agreement

Attached to this Franchise Disclosure Document as Exhibit "D" is a sample copy of the current general release form that we use as a condition of renewal or assignment/transfer

Attached to this Franchise Disclosure Document as Exhibit "E" is state specific addenda relating to the Franchise Agreement

Item 23: Receipts

The Receipts to be signed by all prospective franchisees are attached in duplicate at the very end of this Franchise Disclosure Document (identified as Exhibit "F") You will sign and date one copy and give it to us at the time we present it to you Your copy of the receipt is attached at the end of this Franchise Disclosure Document

The Receipts identify all our current Franchise Sellers

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language Read this Disclosure Document and all agreements carefully

[THE DISCLOSURE DOCUMENT ENDS HERE]

LIGHTNING RAINGUTTERS

EXHIBIT "A"
TO THE FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

LIGHTNING RAINGUTTERS
FRANCHISE AGREEMENT

This **FRANCHISE AGREEMENT** ("Agreement") is made and entered into this day of_____, 20_____, by and between Rich Franchising Company LLC, a [TYPE OF ENTITY] formed under California law, with its principal business address at 549 North Rector Way, Fresno, California 93737 (referred to in this Agreement as "Franchisor," "we," "us" or "our"), and_____, a [STATE/TYPE OF ENTITY] with its principal business address at _____ (referred to in this Agreement as "Franchisee," "you," "your" or "owner")

DEFINITIONS. Words and phrases used frequently in this Agreement will have the meaning indicated

"**Accounting Period**" means one calendar month

"**Ad Fee**" means the amount of money that you are required to contribute to the Advertising Fund

"**Advertising Fund**" means the pool of money controlled by Rich Franchising Company LLC for the purpose of advertising, marketing and other promotional activities to promote LIGHTNING RAINGUTTERS businesses

"Affiliated Companies" or "Affiliate(s)" means any person or company that, directly or indirectly, controls, is controlled by, or is under common control with, the referenced party

"Agreement" or "Franchise Agreement" means this document, all its attachments, exhibits, stipulations and schedules and written modifications whenever made

"Approved Supplier" means any supplier, including us, an Affiliate of ours, or an independent third party, authorized by us in writing to manufacture and/or provide any products, services, items, supplies, raw materials, fixtures, furnishings, equipment (including computer systems and software), business services, and other designated items used in the operation of a LIGHTNING RAINGUTTERS business

"Competitive Business" means any business that offers gutter services relating to the installation, maintenance, repair, or cleaning of gutters, or that offers any other services or products that are the same or similar to those offered by LIGHTNING RAINGUTTERS businesses, or any business that offers franchises or licenses to others to operate any business that offers gutter services relating to the installation, maintenance, repair, or cleaning of gutters, or that offers any other services or products that are the same or similar to those offered by LIGHTNING RAINGUTTERS businesses

"**Corporation or Partnership**" includes, if applicable, reference to your formation as a limited liability company, limited liability partnership, or any other type of limited liability entity

"Customer Account Transfer Fee" means the amount payable from one franchisee to another for the right to provide services and products to a designated customer account

"Customer Contact Fee" means the calculated amount payable from you to us each Accounting Period for the total customer contacts in which we engage on behalf of the Franchised Business

"Designated Bank Account" means the primary bank account used by Franchised Business for general operation of the Franchised Business, including payroll, deposits of sales, revenues, payment of vendors

and suppliers and other operational matters, and which is to be used for any EFT withdrawals pursuant to this Agreement

"Effective Date" means the date this Agreement becomes effective as designated on the Signature Page of this Agreement

"EFT" means Electronic funds transfers that are transacted through an Automated Clearing House or other electronic transfer system approved by Franchisor

"Franchisee" means the individual or entity inserted in the space at the beginning of the agreement and on Schedule B

"Franchised Business" means your LIGHTNING RAINGUTTERS business operated under this Agreement

"**Franchisor**" means Rich Franchising Company LLC

"**Gross Revenue**" means the total revenue and other consideration from the Franchised Business, and whether from cash, check, credit, or barter transactions, but excluding all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority and excluding customer refunds, adjustments, credits and allowances actually made by the Franchised Business in compliance with our Methods of Operation

"Guarantor" means any person who signs the Guaranty and Assumption of Obligations found in Appendix C to the Agreement

"Location" means your principal place of business at which we authorize you to operate the Franchised Business

"Marks" means the current and future trade names, trademarks, service marks and trade dress used to identify LIGHTNING RAINGUTTERS businesses and the services and products offered by LIGHTNING RAINGUTTERS businesses, including the "LIGHTNING RAINGUTTERS" mark and the distinctive color scheme and signage of LIGHTNING RAINGUTTERS businesses

"Marks Standards" means standards specified in the Manual for all Mark-bearing signs, advertising, and other items and the use of these items in the Franchised Business

"Methods of Operation" means the Operating Manual we provide to you containing mandatory and suggested specifications, standards, operating procedures and rules that we prescribe from time to time for the operation of a LIGHTNING RAINGUTTERS business and any other information or communications we provide or send to you during the term of the Agreement relating to your operation of the Franchised Business or to any other of your obligations under this Agreement and related agreements

"National Accounts" means regional or national businesses with which we've agreed to provide services or products to customers at certain designated locations

"Operating Manual" means our confidential LIGHTNING RAINGUTTERS Operating Manual which contains the required policies and procedures for the operation of the Franchised Business, and includes all specifications we provide or sent to you and includes all supplemental bulletins, memoranda, revisions and replacements

"Operating Standards" means the standards specified in the Manual for customer service, hours, required services and products, and employee training

"Operating System" means the plan and system as updated and revised from time to time for providing our gutter services using our products, equipment selection, vehicles, software, accounting methods, advertising, promotional techniques, personnel training, and quality standards that feature the Marks and includes all proprietary materials, our Operating Standards, Marks Standards, and our technology requirements

"**Owner**" means any person holding a direct or indirect, legal or beneficial ownership interest or voting rights in you (or a transferee of this Agreement and the Franchised Business or an interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise or the Franchised Business and any person who has any other legal or equitable interest, or the power to vest in himself any legal or equitable interest, in the revenue, profits, rights or assets thereof References to a "controlling interest" in you mean thirty three and one-third (33 33%) percent or more of your voting shares or other voting rights if you are a corporation or partnership owned by three (3) or more persons, otherwise, fifty (50%) percent or more of your voting shares or other voting rights will constitute a "controlling interest "

"**Person**" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative or other legal or functional entity

"Professional Organization Fees" means the fees you pay to join any industry professional organization to which we require you to belong during the Term of the Agreement

"LIGHTNING RAINGUTTERS business" means a gutter services business operating under the Marks and using the Operating System that we, or any of our Affiliates, own and operate or license any other person or entity to own or operate

"**Section**" means any specified numbered section or sub-section contained in this Agreement

"Term" means the ten (10) year period under which the Agreement is effective, unless otherwise terminated

"Territory" means the area listed on Appendix B to the Franchise Agreement in which you are authorized to provide our approved services and products to customers located in the area

"We", "us" or "our" means Rich Franchising Company LLC, our successors and assigns or our Affiliates

"You", "your" or "yours" means the Franchisee

1 GRANT OF FRANCHISE AND TERM OF THE AGREEMENT

Our franchisees operate a gutter services business providing installation, maintenance, repair, and cleaning of gutters, as well offering related services and products We grant franchises to persons who meet our qualifications and are willing to undertake the investment and effort required to own and operate a LIGHTNING RAINGUTTERS business utilizing our Marks, designated business system, procedures, policies and standards You have indicated to us by your actions and statements that you desire to own and operate a LIGHTNING RAINGUTTERS business

1 1 **Acknowledgements**

1 1 1 You acknowledge that you have read this Agreement and our Franchise Disclosure Document and understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at each LIGHTNING RAINGUTTERS business

1 1 2 You acknowledge that you have conducted an independent investigation of operating a LIGHTNING RAINGUTTERS business and recognize that the nature of this business may evolve and change over time and that an investment in a LIGHTNING RAINGUTTERS business involves business risks and that your business abilities and efforts are vital to the success of the venture

1 1 3 You acknowledge and agree that we and you are, and shall continue to be, independent contractors and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner or employee of the other for any purpose Any information you acquired from other LIGHTNING RAINGUTTERS franchisees relating to their sales, profits or cash flows does not constitute information obtained from us, nor do we make any representation as to the accuracy of any such information

1 2 **Grant of Franchise** Subject to the terms of and upon the conditions contained in this Agreement, we hereby grant you a franchise (the "Franchise") to operate the LIGHTNING RAINGUTTERS Franchised Business solely from the principal business location (the "Location") identified in Appendix B to this Agreement, and a license to use the Marks and the Operating System in the operation thereof, for a term commencing on the Effective Date of this Agreement and expiring on the tenth (10^{th}) anniversary of that date (the "Term"), unless sooner terminated in accordance with this Agreement You may not operate the Franchised Business from any site other than the Location without our prior written consent You acknowledge and agree that you have no recourse against us if other franchisees are granted allowances or rights that are not granted to you

2 INITIAL FRANCHISE FEE

2 1 **Initial Franchise Fee** You agree to pay us a nonrecurring and nonrefundable initial franchise fee ("Initial Franchise Fee") in the amount of Twenty Five Thousand Dollars ($25,000), that shall be due and payable when you execute the Agreement The franchise fee will be fully earned by us upon the execution of this Agreement

3. ROYALTY, OTHER FEES, AND PAYMENTS

3 1 **Royalty** You agree to pay us a royalty ("Royalty") each calendar month (the "Accounting Period") during the term of the Agreement in the amount of nine percent (9%) of Gross Revenue derived by the Franchised Business during the respective Accounting Period

3 2 **Customer Contact Fee** You agree to pay us a customer contact fee ("Customer Contact Fee") each Accounting Period that shall be calculated as the product of Five Dollars ($5) and the total number of separate and unique customer communication contacts in which we engage with a potential or actual customer of the Franchised Business during the respective Accounting Period You acknowledge and agree that we may raise the amount of the specified per contact dollar amount periodically during the Term of the Franchise Agreement You acknowledge and agree

that we shall notify you in writing of the Customer Contact Fee due from you to us for any Accounting Period and that the Customer Contact Fee shall be due at the same time and in the same manner as the Royalty You acknowledge and agree that any specified customer communication contact may be in any manner allowed under our Methods of Operation including, without limitation, phone communications and electronic communications

3 3 **Professional Organization Fees.** You acknowledge and agree that during the Term of the Agreement you must join and belong, in good standing, to such industry professional organizations that we designate, in our sole business judgment You acknowledge and agree that you are responsible solely for paying any initial and ongoing professional organization fees ("Professional Organization Fees") that any such professional organization may charge in order to belong to such organization You acknowledge and agree that throughout the Term of the Agreement you are responsible solely for paying any fees and expenses to attend any designated industry professional organization training that we may require, in our sole business judgment

3 4 **Designated Bank Account** Prior to the opening of the Franchised Business, and as a condition thereof, you shall establish a designated bank account ("Designated Bank Account") We shall deposit to the Designated Bank Account any amounts due to you from us under this Agreement We shall be authorized by you to withdraw from the Designated Bank Account in any manner which we prescribe, which may include EFT or wire transfer, any amounts due to us or any Affiliate from you under the terms of this Agreement, including Royalty fees and Ad Fees due All costs and expenses of establishing and maintaining such designated account, including transaction fees and wire transfer fees, shall be paid by you You shall bear all expenses, if any, associated with such authorizations and payments You agree to execute Appendix D to this Agreement ("Electronic Funds Transfer Authorization") and any and all documents as may be necessary to effectuate and maintain the electronic funds transfer, as we require In the event you change banks or accounts for the Designated Bank Account required by us, you shall, prior to such change, provide us such information and documentation as we may require, in our sole business judgment Your failure to provide such information concerning the Designated Bank Account, or your withdrawal of authorization as required hereunder for whatever reason shall be a material breach of this Agreement

3 5 **Payments** The Royalty and Ad Fee payable from you to us each calendar month during the Term of the Agreement shall be calculated with reference to the Gross Revenue derived by the Franchised Business during the immediately preceding Accounting Period By the fifth (5^{th}) day of each calendar month, we shall calculate the Royalty Fee and Ad Fee due for the immediately preceding calendar month and may withdraw via EFT such amounts and any other amounts due under this Agreement, directly from the Designated Bank Account, unless we have agreed with you in writing to some other acceptable method of delivery of amounts due to us

3 6 **Interest on Late Payments** All amounts which you owe us and do not pay us when due will bear interest from their due date at the highest contract rate of interest permitted by law You acknowledge that this Section does not constitute our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Franchised Business Your failure to pay all amounts then due constitutes grounds for termination of this Agreement, despite the provisions of this Section

4. PERFORMANCE REQUIREMENTS

4 1 **Performance Standards.** You agree that you will at all times faithfully, honestly and diligently perform your obligations hereunder, continuously exert your best efforts to promote and enhance

the Franchised Business and not engage in any other business or activity that conflicts with your obligations to operate the Franchised Business in compliance with this Agreement

4.2 **Days of Operation** You acknowledge and agree that, as required by our Methods of Operation, the Franchised Business must operate the entire calendar year, unless otherwise approved in writing by us, and must be managed at all times by your Managing Owner or an owner or employee approved in writing by us

5. OWNERSHIP AND MANAGEMENT.

You acknowledge and agree that your Managing Owner must personally manage and operate the Franchised Business as a primary occupation and you may not, without our prior written consent, delegate your Managing Owner's authority and responsibility with respect to management and operation

5.1 **Managing Owner** You acknowledge and agree that your Owners and you will grant to one individual (the "Managing Owner"), the authority to legally bind you in any dealings with us, or our affiliates, and to direct any action necessary to ensure compliance with this Agreement and any other agreements relating to the Franchised Business The Managing Owner, at all times during the term of the Agreement, shall maintain management control of the Franchised Business, or shall have like authority, ownership, managerial control and voting power in any limited liability company, partnership, or other form of entity, unless otherwise agreed upon in writing by us You will notify us thirty (30) days in advance of any change in the identity of the Managing Owner Where such change results from the death or incapacity of the Managing Owner, you shall immediately notify us of such death or incapacity and you will appoint a new Managing Owner within sixty (60) days after such death or incapacity We reserve the right to review and disapprove of any newly appointed Managing Owner within ten (10) days of notice We reserve the right to review and approve the authority of the Managing Owner with respect to your organizational documents Neither you nor your Owners will, directly or indirectly, take any action to avoid or restrict the authority requirement for the Managing Owner

5.2 **Business Entity Franchisee** If you are at any time a business entity, you agree and represent that

5.2.1 You will promptly furnish to us copies of the business entity's organizational or governing documents, and any amendments thereto, the business entity will have the authority to execute, deliver and perform your obligations under this Agreement, and, the business entity is duly organized or formed and validly existing in good standing under the laws of the state of its incorporation or formation You will notify us within five (5) days whenever there is a change in your corporate status or whenever you receive service of process for any reason,

5.2.2 Your organizational documents will recite that the issuance and transfer of any ownership interests in you are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to the restrictions of this Agreement,

5.2.3 Appendix A to this Agreement will completely and accurately describe all of your Owners and their interests in you,

5 2 4 Each of your Owners, at any time during the term of this Agreement, will execute an agreement in the form that we prescribe (see Appendix C to this Agreement) undertaking to be bound jointly and severally by all provisions of this Agreement and any ancillary agreements between you and us that bind you You and your Owners agree to execute and deliver to us such revised copies of Appendix A as may be necessary to reflect any changes in the information contained therein and to furnish such other information about your organization or information as we may request within five (5) days of change

6 START OF BUSINESS

6 1 **Opening** You agree to begin operating the Franchised Business within ninety (90) days after the Effective Date of this Agreement If you fail to begin operating the Franchised Business within ninety (90) days after the Effective Date of this Agreement, then we may terminate the Agreement and you will forfeit the initial franchise fee

6 2 **Training** You must successfully complete our training program for the Franchised Business to our satisfaction prior to beginning to operate the Franchised Business

7. YOUR TERRITORY

7 1 **Territory** During the term of this Agreement and for so long as you are not in default under this Agreement, we shall not establish or operate, or license any other person to establish or operate, another LIGHTNING RAINGUTTERS business providing our authorized services and products to customer accounts located within the geographical area set forth in Appendix B to this Agreement (the "Territory") We shall take such reasonable steps as we consider necessary to prevent any other person from establishing or operating a LIGHTNING RAINGUTTERS business within the Territory upon our becoming aware of such establishment or operation You may have the right to enter into agreements for the provision of services at customer locations outside the Territory provided that the terms of any such agreements shall be subject to our prior written approval Any such services to be performed at a customer location outside of the Territory shall be referred to the LIGHTNING RAINGUTTERS franchisee, if any, within whose territory such location falls If such location does not fall within the territory of any such franchisee, we may, at our discretion, allow you to perform such services at such location

7 1 2 Conducting Business Outside of the Territory You shall not offer or sell any services or products to a customer account location situated outside of the Territory without our prior written approval You shall promptly advise us of all inquiries for services or products received from any prospective customer account situated outside your Territory and shall promptly provide us with copies of all such inquiries made in writing We shall forward such inquiries to the franchisee, if any, in whose territory such prospective customer account is situated If there is not such an existing franchisee within whose territory the prospective customer account is situated, we may, in our sole business judgment, allow you to provide services or products to such customer account for so long as the customer account is not located in the territory of another franchisee

7 2 **Our Reservation of Rights** We retain all rights not expressly granted hereunder, including the following

7 2 1 outside the Territory we have the right to establish and operate (directly or through an Affiliate), and to grant to others the right to establish and operate, any business of any kind,

7 2 2 we have the right to establish and operate (directly or through an Affiliate), and to grant to others the right to establish and operate, within the Territory and elsewhere, businesses other than LIGHTNING RAINGUTTERS businesses,

7 2 3 we have the right to host one or more websites on the Internet that advertise LIGHTNING RAINGUTTERS businesses and the services and products they offer and that allow potential clients to contact LIGHTNING RAINGUTTERS businesses throughout the world, even though a website is accessible to or viewable by persons in the Territory,

7 2 4 we have the right to advertise and promote the LIGHTNING RAINGUTTERS services and products through broadcast, print and electronic media that are broadcast, delivered or otherwise transmitted into the Territory,

7 2 5 we have the right to offer and sell any services and products within the Territory under any trade names, trademarks, service marks or trade dress, including the Marks, through any alternative channels of distribution, and

7 2 6 we have the right to acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere or business conducted anywhere These transactions may include arrangements involving competing businesses or outlets and dual branding or brand conversions

7 3 **National Accounts.** You acknowledge that from time to time we may enter into agreements with certain regional or national businesses ("National Accounts") to provide services or products at specified National Account locations We shall identify and designate any such National Accounts in our Operating Manual, and you acknowledge and agree that from time to time during the Term of the Agreement we may add or remove National Accounts, in our sole business judgment You acknowledge and agree that we have sole business judgment on who may provide services or products to any National Account location You acknowledge and agree that we may, in our sole business judgment, offer you the opportunity to accept and provide services or products under the terms of any such National Account agreement (including, without limitation, any central invoicing or fixed fee terms) In the case of a National Account agreement under which the customer will pay a fixed amount for services or products at all locations listed in such agreement, we shall allocate reasonably such fixed amount among the LIGHTNING RAINGUTTERS businesses providing such services or products

7 4 **Customer Account Transfer Fee.** In the event a customer account is identified by us as belonging to the Territory of another franchisee and you desire to provide products or services to such customer account, you may submit a written request to such other franchisee, with a copy of such written request provided to us, to purchase from the other franchisee the rights to provide products or services to the customer account The other franchisee shall have no obligation to sell the customer account to you In the event the other franchisee desires to sell the rights to the customer account to you, then the other franchisee shall respond to you in writing of such acceptance of your offer and you shall pay such other franchisee a customer account transfer fee ("Customer Account Transfer Fee") in an amount that shall be mutually agreed by both parties The Customer Account Transfer Fee shall be due and payable from you to the other franchisee prior to the transfer of the customer account

8 LOCATION.

It is your responsibility to find a Location from which to operate the Franchised Business You must submit to us, according to our procedures, a proposed Location for your Franchised Business for our approval

8 1 **Business Location** You must locate a site for the Franchised Business and have the Location approved by us We have the right to approve the terms of any lease, sublease or purchase contract for the Location, and you agree to deliver a copy to us for our approval before you sign it Our approval of the lease, sublease or purchase contract does not constitute a warranty or representation of any kind, express or implied, as to its fairness or suitability or as to your ability to comply with its terms We do not, by virtue of approving the lease, sublease or purchase contract, assume any liability or responsibility to you or to any third parties You further acknowledge that we have advised you to seek legal counsel to review and evaluate the lease You must deliver a copy of the fully signed lease, sublease or purchase contract to us within fifteen (15) days after its execution

8 2 **Location Approval** We will make reasonable efforts to make a determination on your proposed Location within ten (10) days after receipt of the proposed Location and any other related supporting materials that we require We will furnish you with our standard site selection criteria and assistance for the Franchised Business, as we may establish from time to time

8 3 **Qualifying Factors.** Factors used by us in deciding whether to accept or reject a proposed site may include, but is not limited to, the general location and neighborhood, demographic information, traffic patterns, zoning, access, visibility, and size, condition, configuration, appearance and other physical characteristics of the site

8 4 **Independent Investigation** Your decision to develop and operate the Franchised Business at any particular site is based solely on your own independent investigation of the suitability of the site for the Franchised Business You acknowledge and agree that your acceptance of the proposed site is based on your own independent investigation of the suitability of the proposed site

8 5 **Disclaimer of Guarantee** Our recommendation or approval of any proposed site and any information communicated to you regarding such site does not constitute a representation or warranty of any kind, express or implied, as to the suitability or success of such Location Our recommendation or approval of the proposed site indicates only that the proposed site satisfies the general guidelines and criteria for Locations that we have established

8 6 **General Release** In consideration of our acceptance of a proposed site, you and your Owners agree to release us, and our affiliates, officers, directors, employees and agents from any and all loss, damages and liability arising from or in connection with the selection and/or acceptance of such site for the development of a LIGHTNING RAINGUTTERS business

9. BUSINESS DEVELOPMENT

9 1 **Developing the Franchised Business** You agree, at your own expense, to do the following with respect to developing the Franchised Business

9 1 1 Secure all financing required to develop and operate the Franchised Business,

9 1 2 Obtain all permits and licenses required to operate the Franchised Business,

9 1 3 Purchase or lease all required vehicles, equipment, fixtures, furnishings, and signs required for the Franchised Business,

9 1 4 Purchase an initial inventory of authorized and approved products, materials and supplies, and,

9 1 5 Ensure that the Franchised Business will be operated in compliance with all local, state and federal laws, ordinances, rules and regulations

9 2 **Vehicles, Equipment, Fixtures, Furnishings and Signs** You agree to use in developing and operating the Franchised Business only those vehicles, equipment, fixtures, furnishings, and signs that we have approved for LIGHTNING RAINGUTTERS businesses as meeting our specifications and standards for quality, design, appearance, function and performance You agree to place or display only such signs, emblems, lettering, logos and display materials that we approve from time to time You agree to purchase or lease approved brands, types or models of vehicles, equipment, fixtures, furnishings, and signs only from suppliers we have designated or approved which may include us and/or our Affiliates

9 3 **General Release** Our review and approval of any proposed business development plans for your Franchised Business and any involvement or information communicated to you regarding such business development plans is solely to ensure your compliance with the Operating System

10 TRAINING

10 1 **Initial Training** Before the Franchised Business begins operation we will provide you with initial training on the operation and management of a LIGHTNING RAINGUTTERS business pursuant to our initial training program You must attend and successfully complete the initial training program to our satisfaction We reserve the right to change or modify the training, as we deem necessary If we determine that your Managing Owner is unable to complete initial training program to our satisfaction, we have the right to terminate this Agreement The initial training program shall be provided as identified below

10 1 1 **Owner or Employee Training** We agree to provide initial training to your Managing Owner and up to one (1) additional individual who may be either an Owner or employee who you elect to enroll in the training program

10 1 2 **Schedule, Location and Costs** Initial training consists of seven (7) working days of training The training will be at a location that we designate You will be responsible for all travel and living expenses which the Managing Owner and any selected individual incurs in connection with training

10 1 3 **Commencement Assistance.** In addition to the initial training program we provide to you at our designated training location, within sixty (60) days of the completion of your initial training with us we shall provide you with two (2) days of additional training in your Territory Any such day of commencement assistance will be scheduled by us and shall consist of not less than five (5) hours The two (2) days of commencement assistance may be provided by us on consecutive days or on separate days, as we determine in our sole business judgment

10 2 **Additional Ongoing Required Training.** We may require your Managing Owner and/or previously trained and experienced employees to attend additional required training courses at such times and locations that we designate, and we may charge reasonable fees for such courses You are responsible for all travel, living, wage, and other related expenses, which any individual of the Franchised Business incurs in connection with attendance at any additional training course we provide to you

10 3 **Supplementary Training** After the commencement of your Franchised Business operations, if you have additional employees who require training from us we may charge you a fee for this training

10 4 **Training Assistance** We may ask you to provide training or assistance to other LIGHTNING RAINGUTTERS franchisees You agree to give us reasonable assistance with such training We agree to reimburse you for your reasonable costs and expenses in providing such assistance

11. PRE – OPENING REQUIREMENTS.

Prior to opening the Franchised Business you must comply with the pre-opening requirements set forth in the Operating Manual and other guidelines that we prescribe You agree not to open the Franchised Business until

11 1 **Location Approval** We approve the Location as developed in accordance with our specifications and standards

11 2 **Completion of Initial Training** Your Managing Owner and any other Owners or employees have completed initial training to our satisfaction

11 3 **Copy of Lease Received** You have given us a copy of your lease for the Location, if applicable

11 4 **Initial Fees Paid** The initial franchise fee and all other amounts then due to us have been paid

11 5 **Required Documentation Received** We have been furnished with copies of all agreements and insurance policies required by this Agreement, or such other evidence of insurance coverage and payment of premiums as we request or accept

11 6 **Compliance with Laws** You have obtained all required agreements and permits, licenses, and certifications for operating the Franchised Business and the Location is in compliance with all laws, rules and regulations

12. OPERATION REQUIREMENTS

After you have satisfied the Initial Training and pre-opening requirements set forth in the Operating Manual and have received our written approval you may begin operation of the Franchised Business You must maintain and operate the Franchised Business in accordance with this Agreement and the terms and standards contained in the Operating Manual

12 1 **Operating Manual** During the term of this Agreement, we will allow you to use one (1) copy of our Operating Manual, consisting of such materials (possibly including, but not limited to, digital media, audio media, computer software and written materials) that we furnish to franchisees from time to time for use in operating a LIGHTNING RAINGUTTERS business The Operating Manual contains the mandatory and suggested specifications, standards, operating procedures and

rules that we prescribe for the operation of the Franchised Business The Operating Manual also contains business and information relating to other obligations under this Agreement and related agreements The Operating Manual and other specifications, standards, and operating procedures provided or communicated to you in any form (collectively, our Methods of Operation) shall be deemed a part of this Agreement

12 1 1 **Modification** We may modify, edit, delete, update, change and enhance the Operating Manual from time to time to reflect changes in the Methods of Operation

12 1 2 **Safeguard** You agree to keep any print or electronic copy of the Operating Manual current and in a secure location at the Franchised Business

12 1 3 **Disputes** In the event of a dispute relating to its contents, the master copy of the Operating Manual we maintain at our principal office will be controlling

12 1 4 **Duplication.** You may not at any time copy, duplicate, record or otherwise reproduce any part of the Operating Manual

12 1 5 **Confidentiality** You acknowledge and agree that the Operating Manual is our proprietary property and contains Confidential Information (as identified in Section 15)

12 2 **Compliance with Methods of Operation** You agree to operate and maintain the Franchised Business in accordance with our Methods of Operation, as we periodically modify and supplement them during the term of this Agreement

12 2 1 **Facilities** Our Methods of Operation may regulate the design, layout, decor, appearance and lighting of any business location utilized by the Franchised Business, including requirements for maintenance, cleaning, sanitation, remodeling, replacement of obsolete or worn out leasehold improvements, fixtures, furnishings, equipment and signs, and use of interior and exterior signs, emblems, lettering and logos and the illumination thereof

12 2 2 **Types** Our Methods of Operation may regulate the types, models and brands of required vehicles, equipment, fixtures, furnishings, signs, materials and supplies

12 2 3 **Services and Products** Our Methods of Operation may regulate the required or authorized services and ancillary product categories

12 2 4 **Suppliers** Our Methods of Operation may regulate the designated or approved suppliers (which may be limited to or include us) of vehicles, equipment, fixtures, furnishings, signs, products, materials and supplies (the use of suppliers other than us, our subsidiaries or Affiliates, or our other approved suppliers, without our express written approval, is a material breach of the terms of this Agreement)

12 2 5 **Terms and Conditions** Our Methods of Operation may regulate the terms and conditions of the sale and delivery of, including, without limitation, credit terms and letter of credit amounts, and terms and terms and methods of payment for, and security deposits, for products, materials, supplies and services including direct labor, which you obtain from us, our Affiliates or others

12 2 6 **Advertising and Marketing** Our Methods of Operation may regulate the sales, marketing, advertising and promotional programs and materials and media used in such

programs, including, without limitation, the right to enforce price policies and timing and duration of price reduction periods

12 2 7 **Marks** Our Methods of Operation may regulate the use and display of the Marks

12 2 8 **Staffing** Our Methods of Operation may regulate the staffing levels for the Franchised Business and matters relating to managing the Franchised Business, communication to us of the identities of the Franchised Business' personnel, and qualifications, training, required uniforms, dress and appearance of employees

12 2 9 **Hours of Operation** Our Methods of Operation may regulate the days and hours of operation of the Franchised Business

12 2 10 **Program Participation** Our Methods of Operation may regulate your participation in market research and testing and service and product development programs

12 2 11 **Payment Methods** Our Methods of Operation may regulate the acceptance of credit cards, other payment systems and check verification services

12 2 12 **Records** Our Methods of Operation may regulate the bookkeeping, accounting, data processing and record keeping systems and forms, methods, formats, content and frequency of reports to us of sales, revenue, financial performance and condition, and furnishing tax returns and other operating and financial information to us

12 2 13 **Insurance** Our Methods of Operation may regulate the types, amounts, terms and conditions of insurance coverage required to be carried for the Franchised Business and standards for underwriters of policies providing required insurance coverage, our protection and rights under such policies as an additional named insured, required or impermissible insurance contract provisions, assignment of policy rights to us, periodic verification of insurance coverage that must be furnished to us, our right to obtain insurance coverage for the Franchised Business at your expense if you fail to obtain required coverage, our right to defend claims, and similar matters relating to insured and uninsured claims

12 2 14 **Laws and Standards** Our Methods of Operation may regulate compliance with applicable laws, obtaining required licenses and permits, adhering to good business practices, observing high standards of honesty, integrity, fair dealing and ethical business conduct in all dealings with customers, suppliers and us, and notifying us if any action, suit or proceeding is commenced against you or the Franchised Business

12 2 15 **Other** Our Methods of Operation may regulate other aspects of the operation and maintenance of the Franchised Business that we determine from time to time to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and LIGHTNING RAINGUTTERS businesses

12 3 **Provisions of this Agreement** You agree that the Methods of Operation prescribed from time to time in the Operating Manual, or otherwise communicated to you in writing or other tangible

form, constitute provisions of this Agreement as if fully set forth herein All references to this Agreement include all Methods of Operation as periodically modified

12 4 **Modification of Methods of Operation.** We may periodically modify Methods of Operation, which may accommodate regional or local variations as we determine, and you acknowledge and agree any such modifications may obligate you to invest additional capital in the Franchised Business and/or incur higher operating costs

12 5 **Sources of Products and Materials**

12 5 1 You must purchase all designated products, materials, goods, or items from us or our Affiliates (at then current prices and subject to the then current terms and conditions) or from other designated suppliers we specify

12 5 2 All products, materials, goods, or items used, or offered for sale by the Franchised Business shall meet our then-current standards and specifications, as established in the Operating Manual or otherwise in writing If you desire to purchase products, materials, goods, or items from a party other than an Approved Supplier, you shall submit to us a written request to approve the proposed supplier, together with such evidence of conformity with our specifications as we may reasonably require We shall use our best efforts, within ninety (90) days after our receipt of such completed request and our completion of any evaluation or testing we may require, to notify you in writing of our approval or disapproval of the proposed supplier

12 6 **Vehicles** For any vehicle owned, leased, operated, or used by the Franchised Business, you acknowledge and agree that any such vehicle must be approved by us pursuant to our standards and specifications and must be maintained and operated by you pursuant to the manufacturer's current standards and specifications You acknowledge and agree that you shall maintain any such vehicle in good and safe operating condition, repair and appearance and properly serviced and lubricated, furnish all parts and labor required to keep the vehicle in such condition, protect the vehicle from deterioration (other than normal wear and tear), maintain the vehicle in a clean manner in compliance with our specifications, operate the vehicle in a safe and reasonable manner in compliance with all laws, rules, regulations and ordinances, and only use the vehicle in the regular course of your operation of the Franchised Business and within normal capacity You shall not make any modification, alteration or addition to any such vehicle without our prior written consent

12 6 1 Vehicle Insurance For any vehicle owned, leased, operated, or used by the Franchised Business you agree to maintain the insurance types, coverages and amounts that we may specify in full force and effect and written by an insurance company acceptable to us We, and our successors and assigns, must be named "ADDITIONAL INSURED" as to liability insurance All such vehicle insurance policies shall provide 30 days' advance written notice to us of cancellation, change, or non-renewal You shall pay all premiums for such insurance and shall deliver to us evidence satisfactory to us of the insurance required hereby and the renewal thereof, provided, however, that we shall be under no duty to ascertain the existence of or to examine such insurance policy or policies, or to advise you in the event such insurance coverage shall not comply with the requirements hereof You shall bear the entire risk of loss, theft, destruction or damage to each such vehicle owned, leased, operated, or used by the Franchised Business

12 6 2 General Indemnity You shall, and do hereby, indemnify and save us, our agents, employees, successors and assigns, harmless from any and all liability, obligations, losses, damages, penalties, claims, suits, strict liability in tort, cost and expenses, including attorney's fees, arising out of the ownership, selection, location, possession, leasing, renting, operation, control, use, maintenance, repair, delivery and/or redelivery of any vehicle owned, leased, operated, or used by the Franchised Business, including, without limitation, any claim alleging latent and other defects, whether or not discoverable, and any other claim arising out of strict liability in tort, and any claim for patent, trademark or copyright infringement The indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect notwithstanding the expiration or other termination of this Agreement

12 7 **Customer Warranties, Customer Service Programs, and Customer Retention Programs.** You acknowledge and agree that you must participate in any customer warranty programs which we may establish from time to time, and to the extent not limited by applicable laws, you must provide to your customers such warranties regarding the services or products of the Franchised Business as we may reasonably require You acknowledge and agree that you must participate in any customer service program or customer retention program which we may establish from time to time You acknowledge and agree that your failure to comply in all respects with the requirements of any such customer service program or customer retention program, or your failure to achieve customer satisfaction results in accordance with our required customer satisfaction index score for any customer service program, as determined by us in our sole business judgment, or your failure to achieve our required customer retention rate for any customer retention program, as determined by us in our sole business judgment, shall be sufficient grounds for us in our sole business judgment either to require your mandatory attendance at any remedial training program that we specify, or for us to deem your Territory non-exclusive in respect to us being authorized to allow any other person to operate a LIGHTNING RAINGUTTERS business within the Territory, or otherwise for us to terminate the Agreement effective immediately upon your receipt of our written notice to you

13 GENERAL GUIDANCE

13 1 Once you commence operation of the Franchised Business you will be required to submit to us reports, records and other financial statements regarding the performance of the Franchised Business Also, we may conduct on-site inspections Based on the information that we receive and review we may provide you with further direction and guidance by providing you with additional written materials, telephone consultations, training or on-site consultations General guidance as to the operation of the Franchised Business will be found primarily in the Operating Manual or given to you through other written materials or bulletins from us Guidance may be provided to you in any of the following ways

13 1 1 Telephone and Internet e-mail consultation during such times as are outlined in the Operating Manual,

13 1 2 Buying advisory services whereby we may provide you with lists of sources and approved suppliers for our products, merchandise, accessories, services, fixtures, furnishings, equipment, signs, etc ,

13 1 3 Wholesaling services whereby we may ourselves act as an approved or designated source for products, merchandise, accessories, fixtures, furnishings, equipment, signs, etc ,

13 1 4 Ongoing marketing programs to fulfill our obligations of this Agreement,

13 1 5 Newsletter services whereby we may inform you periodically about the current events in the LIGHTNING RAINGUTTERS franchise program,

13 1 6 Meetings, whereby we may convene with you and other LIGHTNING RAINGUTTERS franchisees for business or social purposes,

13 1 7 Research and development regarding Methods of Operation, and/or

13 1 8 At your request, we will furnish additional guidance and assistance and, in such a case, may charge the per diem fees and charges we establish from time to time If you request, or if we require, additional or special training for your employees, all of the expenses that we incur in connection with such training, including per diem charges and travel and living expenses for our personnel, will be your responsibility

14 MARKS

All provisions of this Agreement applicable to the Marks apply to any additional proprietary trademarks and service marks and commercial symbols that we authorize you to use

14 1 **Ownership of Marks** You do not have an ownership interest in the Marks used with the Franchised Business It is our right or license to use, license or sublicense the Marks Your right to use the Marks is derived solely from this Agreement and limited to your operation of the Franchised Business pursuant to and in compliance with this Agreement and Methods of Operation, which we prescribe from time to time during its term Your unauthorized use of the Marks is a breach of this Agreement and an infringement of our rights in and to the Marks

14 2 **Use of Marks** You agree to use the Marks as the sole identification of the Franchised Business, except that you agree to identify yourself as the independent owner thereof in the manner we prescribe

14 3 **Goodwill of Marks** This Agreement does not confer any goodwill or other interests in the Marks to you Any goodwill established by use of the Marks will be exclusively for our benefit You will not represent in any manner that you have any ownership in the Marks or the right to use the Marks except as provided in this Agreement and the Operating Manual At the termination of this Agreement you will not receive any compensation for goodwill

14 4 **Display of Marks** You agree to display the Marks prominently in the manner we prescribe at the Franchised Business, on vehicles, supplies or materials we designate and in connection with forms and advertising and marketing materials

14 5 **Limitations on Use of Marks.** You may not use any Marks as part of any corporate or legal business name or Internet domain name or Internet e-mail address or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you hereunder), or in any modified form, nor may you use any Marks in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing No Marks may be used in any advertising concerning the transfer, sale or other disposition of the Franchised Business or an ownership interest in you You agree to give such notices of trademark and service marks registrations, e g , "®", "™", as we specify and to obtain any fictitious or assumed name registrations required under applicable law You agree to

withdraw any fictitious or assumed name registrations immediately upon termination or expiration of this Franchise Agreement

14 6 **Modification or Replacement of Marks** You agree to modify or replace any Marks when notified by us You agree to comply with our directions within a reasonable time after receiving notice You are responsible for all expenses associated with modifying or replacing the Marks We will not be obligated to reimburse you for any lost revenue attributable to any modified or discontinued Marks or for any expenditure you make to promote a modified or substitute Mark

14 7 **Discontinuance of Marks.** You must discontinue the use of the Marks immediately upon termination or expiration of this Agreement

14 8 **Infringement and Claims of Marks** You agree to notify us immediately of any apparent infringement or challenge to your use of any Marks or of any claim by any person of any rights in any Marks You agree not to communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim We have sole business judgment to take such action as we deem appropriate and the right to control exclusively any litigation, United States Patent and Trademark Office ("USPTO") proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Marks You agree to sign any and all instruments and documents, render such assistance and do such acts and things as, in the opinion of our attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or USPTO proceeding or other proceeding or otherwise to protect and maintain our interests in the Marks

14 9 **Additional Restrictions on Your Use of the Marks** You shall not attempt to register or otherwise obtain any interest in any Internet domain name or uniform resource locator ("URL") containing any of the Marks, or any portion thereof, or any other word, name, symbol or device which is likely to cause confusion with any of the Marks, and, You shall not develop, create, generate, own, license, lease or otherwise utilize any computer media and/or electronic media (including but not limited to the Internet, world wide web, bulletin boards, news group and/or social media) which may be used, or in any manner uses, displays or utilizes the Marks, or other commercial symbols or offers to sell or sells any of the services or products which are or may at a later date be offered for sale by LIGHTNING RAINGUTTERS businesses If you desire to utilize any computerized or electronic media in conjunction with the operation of your LIGHTNING RAINGUTTERS Franchised Business, you must obtain our prior written approval of such usage, and we may in our sole and absolute business judgment approve or not approve such usage If we grant approval, we or our Affiliates will be the owners of and/or control the approved computerized or electronic content and media

15 CONFIDENTIAL INFORMATION.

15 1 **Determination of Confidential Information** We possess and will continue to develop and acquire certain confidential information ("Confidential Information") relating to the development and operation of LIGHTNING RAINGUTTERS businesses Confidential Information is proprietary to us Confidential Information may be disclosed to you that may include, but is not limited to

15 1 1 **Locations** Our location selection criteria,

15 1 2 **Business Practices** Our trade secrets, methods, formats, specifications, standards, systems, procedures, the Operating Manual, any other proprietary materials, and

knowledge of and experience in developing and operating LIGHTNING RAINGUTTERS businesses,

15 1 3 **Marketing and Advertising** Our marketing and advertising programs for LIGHTNING RAINGUTTERS businesses and the sales and marketing techniques used,

15 1 4 **Vehicles, Equipment, Materials and Supplies** Knowledge of our specifications for and suppliers of certain vehicles, equipment, fixtures, furnishings, products, materials and supplies, and

15 1 5 **Reports and Records** Knowledge of the operating results and financial performance of LIGHTNING RAINGUTTERS businesses other than your Franchised Business

15 2 **Business Purposes Only** You will not acquire any interest in Confidential Information, other than the right to utilize Confidential Information disclosed to you in operating the Franchised Business during the term of this Agreement Use or duplication of any Confidential Information in any other business will constitute an unfair method of competition and a violation of this Agreement Confidential Information is disclosed to you solely on the condition that you agree that you

15 2 1 **Business Only** You will not use Confidential Information in any other business or capacity

15 2 2 **Term** You will maintain the absolute confidentiality of Confidential Information during and after the term of this Agreement

15 2 3 **Copies** You will not make unauthorized copies of any portion of Confidential Information disclosed to you in any format

15 2 4 **Safeguards** You will adopt and implement all reasonable safeguard procedures, including those that we prescribe from time to time to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restrictions on disclosure to the Franchised Business' personnel and others

15 3 **Ideas, Concepts, Techniques or Materials** All ideas, concepts, techniques or materials relating to a LIGHTNING RAINGUTTERS business, whether or not constituting protected intellectual property, and whether created by or on behalf of you or your Owners, will be promptly disclosed to us, deemed to be our sole and exclusive property and part of the Operating System and deemed to be works made for hire for us You and your Owners agree to sign whatever assignment or other documents we may request from time to time to evidence our ownership or to assist us in securing intellectual property rights in such ideas, concepts, techniques or materials

16. EXCLUSIVE RELATIONSHIP

16 1 **Exclusive Dealings** We have granted the franchise to you in consideration of and reliance upon your agreement to deal exclusively with us and not to be involved with a Competitive Business

16 1 1 **Interest or Involvement** You agree that during the Term of this Agreement you, or any of your Owners (including any Owner's spouse, child or other first degree relative by blood or marriage), will not have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business, wherever located

16 1 2 **Performance** You agree that during the Term of this Agreement you, or any of your Owners (including any Owner's spouse, child or other first degree relative by blood or marriage), will not perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located

16 1 3 **Recruiting.** You agree that during the Term of this Agreement you, or any of your Owners (including any Owner's spouse, child or other first degree relative by blood or marriage), will not recruit or hire any person who is our employee or the employee of any LIGHTNING RAINGUTTERS business without obtaining the prior written permission of that person's employer

17. MARKETING

17 1 **Advertising Fund.** We may establish an advertising fund ("Advertising Fund") for such advertising, marketing and public relations programs and materials as we deem necessary or appropriate in our sole business judgment The Advertising Fund is intended to maximize recognition of the Marks and patronage of LIGHTNING RAINGUTTERS businesses. We will endeavor to utilize the Advertising Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all LIGHTNING RAINGUTTERS businesses You will be required to contribute to the Advertising Fund as set forth in this Agreement

17 1 1 **Contribution** You agree to contribute to the Advertising Fund one percent (1%) of Gross Revenue (the "Ad Fee"), payable monthly in the same manner as the Royalty due hereunder

17 1 2 **Control** We will direct and control all programs financed by the Advertising Fund, with sole business judgment over the creative concept materials and endorsements used therein and the geographic market and media placement and allocation thereof We may do the marketing and advertising or we may elect to outsource the marketing and advertising to an agency

17 1 3 **Purpose of Advertising Fund** The Advertising Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials, administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising The Advertising Fund may be used to employ advertising, promotion and marketing agencies and to support public relations, market research and other advertising promotion and marketing activities The Advertising Fund will furnish you with samples of advertising, marketing formats, promotional formats and other materials at no additional cost to you when we deem appropriate Multiple copies of such materials will be furnished to you at our direct cost of producing them plus any related shipping, handling and storage charges

17 2 **Accounting of Advertising Fund** The Advertising Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Advertising Fund and its programs This may include, without limitation, conducting market research, preparing advertising promotion and marketing materials, and collecting and accounting for contributions to the Advertising Fund

17 2 1 **Expenditure of Advertising Fund** We may spend, on behalf of the Advertising Fund, in any fiscal year, an amount that is greater or less than the aggregate contribution of all LIGHTNING RAINGUTTERS businesses to the Advertising Fund in that year and the Advertising Fund may borrow from us or others to cover deficits or invest any surplus for future use

17 2 2 **Interest Earned** All interest earned on monies contributed to the Advertising Fund will be used to pay advertising costs before other assets of the Advertising Fund are expended

17 2 3 **Reporting** We will prepare an annual compiled statement of monies collected and costs incurred by the Advertising Fund and furnish the statement to you upon written request

17 2 4 **Operation** We have the right to cause the Advertising Fund to be incorporated or operated through a separate entity at such time as we deem appropriate and such successor entity will have all of the rights and duties specified herein

17 3 **Proportionality** We undertake no obligation to ensure that expenditures by the Advertising Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Advertising Fund by LIGHTNING RAINGUTTERS businesses operating in that geographic area We have no obligation to ensure that any LIGHTNING RAINGUTTERS business will benefit directly or in proportion to its Ad Fees paid to the Advertising Fund from the development of advertising and marketing materials or the placement of advertising Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering the Advertising Fund

17 4 **Deferrals or Reductions** We reserve the right to defer or reduce contributions of a LIGHTNING RAINGUTTERS business franchisee and, upon thirty (30) days' prior written notice to you, to reduce or suspend your payment of Ad Fees to and suspend operations of the Advertising Fund for one or more periods of any length and to terminate (and if terminated to reinstate) the Advertising Fund If the Advertising Fund is terminated, all unspent monies on the date of termination will be distributed to our franchisees in proportion to their respective contributions to the Advertising Fund during the preceding three (3) month period

17 5 **Local Business Promotion By You.** You acknowledge that either prior to beginning to operate the Franchised Business or within sixty (60) days after you begin to operate the Franchised Business, you must spend not less than Seven Thousand Five Hundred Dollars ($7,500) for initially advertising and promoting the Franchise Business, in compliance with our Methods of Operation You acknowledge and agree that each consecutive three hundred sixty five days period during the Term of the Agreement, starting at the Effective Date of the Agreement, you must spend not less than Twenty Four Thousand Dollars ($24,000) for local advertising and promotion of your Franchised Business

17 6 **Advertising Approval** You may not use any advertising or promotional materials unless we have approved it Samples of all advertising, promotional and marketing materials, which we have not prepared or previously approved, must be submitted to us for approval before you use them We own the copyrights to anything so submitted, whether approved by us or not If you do not receive written approval within fifteen (15) days after our receipt of such materials, we will be deemed to have NOT given the required approval

17 7 **Truthful Advertising, Marketing and Promotion** You agree that any advertising, promotion and marketing conducted will be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and the promotion policies which we prescribe

17 8 **Participation in Internet Web Site or Other Communications** You must have Internet access and an e-mail address You must, at your own expense, participate in the LIGHTNING RAINGUTTERS web site on the Internet or other online or electronic communications we may specify You may not separately register any domain name or operate any web site containing any of the Marks without our prior written approval We determine the content and use of the ~~ROD's~~LIGHTNING RAINGUTTERS web site and have the right to establish the rules under which franchisees may or must participate in the web site or separately use the Internet or other online or electronic communications We retain all rights relating to the ~~ROD's~~LIGHTNING RAINGUTTERS web site and may alter or terminate the web site Your general conduct on the web site or other online or electronic communications and specifically your use of the Marks or any advertising on the web site or other online or electronic communications (including the domain name and any other Marks we may develop as a result of participation in the web site or other online or electronic communications) is subject to the provisions of this Agreement You acknowledge that certain information obtained through your participation in the ~~ROD's~~LIGHTNING RAINGUTTERS web site may be considered Confidential Information, including access codes and identification codes Your right to participate in the ~~ROD's~~LIGHTNING RAINGUTTERS web site or other online or electronic systems we may develop or otherwise to use the Marks or System on the Internet or other online or electronic communications terminates when this Agreement expires or terminates

18 RECORDS, REPORTS AND FINANCIAL STATEMENTS

18 1 **Bookkeeping** You agree to establish and maintain at your own expense a bookkeeping, accounting and record keeping system conforming to the requirements and formats we prescribe You agree to produce records, reports and financial statements upon our request that adequately represent your financial position and that of the Guarantors We may require you to use approved computer hardware and software in order to maintain the Franchised Business' records and reports Records and reports must be furnished to us in the form and frequency as specified in this Agreement and the Operating Manual You acknowledge and agree that we may require you to provide us with any of the following information, without limitation, as specified

18 1 1 **Monthly Financial Statements** You agree to provide us, by the fifth (5th) day after the end of each calendar month, a profit and loss statement for the Franchised Business for the preceding calendar month and a year-to-date balance sheet

18 1 2 **Annual Financial Statements** You agree to provide us, within ninety (90) days after the end of the Franchised Business' fiscal year, reviewed annual profit and loss and source and use of funds statements and a reviewed balance sheet for the Franchised Business as of the end of such fiscal year signed by you or your principal operating officer or operating partner

18 1 3 **Tax Returns** You agree to provide us, within ten (10) days after our request, exact copies of federal and state income and other tax returns and such other forms, records, books and other related information

18 1 4 **Credit Reports** You agree to allow us to obtain credits reports as deemed necessary during the period of this Agreement

18 1 5 **Maintenance of Records** You are required to maintain reports, records and financial statements as prescribed in the Operating Manual for your Franchised Business

18 2 **Verification** You agree to verify and sign each report and financial statement in the manner we prescribe We have the right to disclose data derived from such reports without identifying you or the location of the Franchised Business Moreover, we have the right, as often as we deem appropriate, including on a daily basis, to access the computer systems that you are required to maintain in connection with the operation of the Franchised Business and to retrieve all information relating to the Franchised Business' operations

19 INSPECTIONS AND AUDITS

19 1 **Right to Audit** Our designated agents and we have the right to, at any time during your regular business hours and without prior notice to you, to inspect and/or audit, or cause to be inspected and/or audited, all records relating to the Franchised Business and operation practices of the Franchised Business in order to verify that you are complying with this Agreement, collateral agreements, and our Methods of Operation and that you are maintaining the uniformity and quality of the services and products associated with the Marks We have the right to observe, photograph and videotape the operations of the Franchised Business for such consecutive or intermittent periods, as we deem necessary We have the right to interview personnel and customers of the Franchised Business We have the right to inspect and copy any books, records and documents relating to your operation of the Franchised Business You agree to cooperate with any such inspection

19 2 **Audit Expense** In the event such inspection and/or audit is made necessary by your failure to furnish reports, supporting records or other information as herein required, or to furnish such items on a timely basis, you agree to reimburse us for the reasonable cost of such inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees

19 3 **Cure** In the event an inspection or audit reveals that any payments have been understated in any report to us, then you must immediately pay to us the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the highest contract rate of interest permitted by law If an inspection or audit discloses an understatement in any report of two (2%) percent or more, you shall, in addition to repayment of monies owed with interest, reimburse us for any and all costs and expenses connected with the inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees The foregoing remedies are in addition to our other remedies and rights under this Agreement and applicable law

20. TRANSFER AND ASSIGNMENT

20 1 **Assignment by Us** This Agreement is fully transferable by us and will inure to the benefit of any transferee or other legal successor to our interests herein

20 2 **Assignment by You** This Agreement and the franchise are granted personally to you You may only assign or transfer any interest or ownership that you may have in the Franchised Business with our prior written approval Any transfer without such approval constitutes a breach of this Agreement and is void Our approval is conditioned on the prospective transferee agreeing to sign

a franchise agreement with us and meeting our qualifying conditions and requirements We will not unreasonably withhold the approval of a prospective franchisee

20 3 **Assignments** An assignment, transfer, sale, gift or other disposition includes the following events

20 3 1 transfer of ownership of capital stock, partnership interest, or other equity interest in you,

20 3 2 merger or consolidation or issuance of additional securities or interests representing an ownership interest in you,

20 3 3 any issuance or sale of your stock or any security convertible to your stock to any person or entity other than an existing owner,

20 3 4 transfer of an interest in you, this Agreement or the Franchised Business in a divorce, insolvency or corporate or partnership dissolution proceeding or otherwise by operation of law,

20 3 5 transfer of an interest in you, this Agreement or the Franchised Business, in the event of your death or the death of one of your Owners, by will, declaration of or transfer in trust or under the laws of intestate succession, or

20 3 6 pledge of this Agreement (to someone other than us) or of an ownership interest in you as security, foreclosure upon the Franchised Business or your transfer, surrender or loss of possession, control or management of the Franchised Business

20 4 **Conditions for Approval of Transfer** If you and all owners are in full compliance with this Agreement, we will approve a transfer that meets all of our applicable requirements and otherwise meets our applicable standards for LIGHTNING RAINGUTTERS franchises A transfer of ownership, possession or control of the Franchised Business may be made only in conjunction with a transfer of this Agreement If the transfer is of this Agreement or a controlling interest in you, or is one of a series of transfers which in the aggregate constitute the transfer of this Agreement or a controlling interest in you, all of the following conditions must be met prior to or concurrently with the effective date of the transfer

20 4 1 **Abilities** The transferee and its direct and indirect owners have the moral character, skill, aptitude, attitude, experience, references, credentials, acumen and financial capacity to operate the Franchised Business

20 4 2 **Current Accounts** You have paid all Royalties, Ad Fees, amounts owed for purchases from us and all other amounts owed to us or to third party creditors and have submitted all required reports and statements

20 4 3 **Training** The transferee's Managing Owner has agreed to complete training to our satisfaction and does complete training to our satisfaction prior to closing

20 4 4 **Franchise Agreement** The transferee has agreed to be bound by all of the terms and conditions of this Agreement for the remainder of its Term or, at our option, must execute our then current standard form of franchise agreement and related documents used in the state in which your Franchised Business is located (which may provide for different

royalties, advertising contributions and expenditures, duration and other rights and obligations than those provided in this Agreement)

20 4 5 **Transfer Fee** You pay us a transfer fee in the amount of Five Thousand Dollars ($5,000) In addition to the transfer fee, you agree to pay us our reasonable legal fees and administrative costs incurred, and our reasonable out-of-pocket expenses, including, without limitation, travel, meals, lodging and other investigative expenses involved in meeting with or qualifying the transferee If the proposed transfer is among your Owners, the transfer fee will be waived, although you are required to reimburse us for any reasonable legal and administrative costs we incur in connection with the transfer

20 4 6 **General Release** You (and your transferring owners) have executed a general release, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees and agents

20 4 7 **Approval** We have approved the material terms and conditions of such transfer and determined that the price and terms of payment will not adversely affect the transferee's operation of the Franchised Business

20 4 8 **Priority** If you or your Owners finance any part of the sale price of the transferred interest, you and/or your Owners have agreed that all of the transferee's obligations pursuant to any promissory notes, agreements or security interests that you or your Owners have reserved in the Franchised Business are subordinate to the transferee's obligation to pay Royalties, Advertising Fund contributions and other amounts due to us and otherwise to comply with this Agreement

20 4 9 **Collateral Agreement** You and your transferring owners have executed an agreement in favor of us agreeing to be bound, commencing on the effective date of the transfer, by the restrictions contained in this Agreement pertaining to the Marks (Section 14), Confidential Information (Section 15) and a Covenant not to Compete (Section 23 4)

20 4 10 **Representation** You and your transferring owners have agreed that you and they will not directly or indirectly at any time or in any manner (except with respect to other LIGHTNING RAINGUTTERS businesses you own and operate) identify or represent yourself or themselves or any business as a current or former LIGHTNING RAINGUTTERS business, or as one of our licensees or franchisees, use any Marks, any colorable imitation thereof or other indicia of a LIGHTNING RAINGUTTERS business in any manner or for any purpose or utilize for any purpose any trade name, trademark or service mark or other commercial symbol that suggests or indicates a connection or association with us

20 5 **Transfer to a Wholly Owned Corporation.** If you are in full compliance with this Agreement, you may transfer this Agreement to a wholly-owned corporation which conducts only the LIGHTNING RAINGUTTERS Franchised Business You agree to maintain management control and own and control one hundred (100%) percent of the equity and voting power of all issued and outstanding capital stock All assets and operations of the Franchised Business are to be owned and controlled by a single corporation Transfers of shares in such corporation will be subject to the provisions of this Agreement You agree to remain personally liable under this Agreement as if the transfer to such corporation had not occurred

20 6 **Operation Upon the Death or Disability of the Managing Owner** If, upon the death or permanent disability of the Managing Owner, the Franchised Business is not being managed by a manager trained by us, you or such Managing Owner's executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed sixty (60) days from the date of death or permanent disability of the Managing Owner, appoint a manager to operate the Franchised Business, subject to our written approval Such manager must successfully complete our required initial training at your expense within thirty (30) days of being appointed to operate the Franchised Business

20 7 **Effect of Consent to Transfer** Our consent to a transfer of this Agreement and the Franchised Business or any interest in you does not constitute a representation on our behalf as to the fairness of the terms of any contract between you and the transferee, a guarantee of the prospects of success of the Franchised Business or transferee or a waiver of any claims we may have against you (or your Owners) or of our right to demand the transferee's exact compliance with any of the terms or conditions of this Agreement

20 8 **Bona Fide Offers** If you (or any of your Owners) at any time determine to sell, assign or transfer for consideration an interest in this Agreement and the Franchised Business or an ownership interest in you, you agree to obtain a bona fide, executed written offer and earnest money deposit (in the amount of five (5%) percent or more of the offering price) and a completed franchise application from a fully disclosed offeror (including lists of the owners of record and beneficial owners of any corporate or limited liability company, or all general and limited partners of any partnership, or, in the case of a publicly held corporation or limited partnership, copies of the most current annual and quarterly reports and Form 10K) and immediately submit to us a true and complete copy of such offer, which includes details of the payment terms of the proposed sale To be a valid, bona fide offer, the proposed purchase price must be denominated in a dollar amount The offer must apply only to an interest in you or in this Agreement and the Franchised Business and may not include an offer to purchase any of your (or your Owners') other property or rights However, if the offeror proposes to buy any other property or rights from you (or your Owners) under a separate, contemporaneous offer, such separate, contemporaneous offer must be disclosed to us, and the price and terms of purchase offered to you (or your Owners) for the interest in you or in this Agreement and the Franchised Business must reflect the bona fide price offered therefor and not reflect any value for any other property or rights

20 9 **Our Right of First Refusal** We have the right, exercisable by written notice delivered to you or your selling owners within thirty (30) days from the date of the delivery to us of both an exact copy of such bona fide offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in such bona fide offer, provided that

20 9 1 we may substitute cash for any form of payment or non-cash consideration proposed in such offer,

20 9 2 our credit will be deemed equal to the credit of any proposed purchaser,

20 9 3 we will have not less than sixty (60) days after giving notice of our election to purchase to prepare for closing, and

20 9 4 we are entitled to receive, and you and your Owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the capital stock of an incorporated business, as applicable, including, without limitation, representations and warranties as to

20 9 4 1 ownership and condition of and title to stock or other forms of ownership interest and/or assets,

20 9 4 2 liens and encumbrances relating to the stock or other ownership interest and/or assets, and

20 9 4 3 validity of contracts and the liabilities, contingent or otherwise, of the corporation whose stock is being purchased

20 10 **Exercise** If we exercise our right of first refusal, you and your selling owner(s) agree that, for a period of twenty four (24) months commencing on the date of the closing, you and they will be bound by the non-competition covenant contained in Section 23 4 You and your selling owner(s) further agree that you and they will, during this same time period, abide by the restrictions of Section 23 of this Agreement

20 11 **Non-Exercise.** If we do not exercise our right of first refusal, you or your Owners may complete the sale to such purchaser pursuant to and on the exact terms of such bona fide offer, subject to our approval of the transfer as provided in Section 20 4 If the sale is not completed within one hundred twenty (120) days after delivery of such bona fide offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), the sale will be treated as a new sale subject to our right of first refusal as provided in Section 20 9

21. EXPIRATION OF THIS AGREEMENT

21 1 **Expiration and Renewal** Upon the expiration of the term of this Agreement you may renew the franchise for the Franchised Business if you and each of your Owners have substantially complied with this Agreement during its term You will have the right to renew your franchise, under the terms and conditions of the Franchise Agreement we are using at that time, provided that

21 1 1 **Compliance with Standards** You agree to add or replace vehicles, equipment and signs and otherwise modify the Franchised Business as we require to bring it into compliance with specifications and standards then applicable for LIGHTNING RAINGUTTERS businesses, or

21 1 2 **Compliance with Standards – Alternate Location** If you are unable to maintain possession of the Location, or if in our judgment the Franchised Business should be relocated, you must secure substitute premises we approve, develop such premises in compliance with specifications and standards then applicable for LIGHTNING RAINGUTTERS businesses and continue to operate the Franchised Business at the original Location until operations are transferred to the substitute premises

21 2 **Renewal Fee** If you are eligible and elect to renew your franchise the renewal franchise fee is Five Thousand Dollars ($5,000)

21 3 **Notice** You agree to give us written notice of your election to renew your franchise during the last year of the term of this Agreement but not less than ten (10) months prior to the date of expiration of this Agreement We agree to give you written notice ("Our Notice"), not more than ninety (90) days after we receive your notice, of our decision

21 3 1 **Grant** Our Notice may grant to you a ten (10) year renewal franchise,

21 3 2 **Conditional Grant** Our Notice may be a conditional grant to you a renewal of the franchise on the condition that deficiencies of the Franchised Business, or in your operation of the Franchised Business, are corrected within a specified time frame, or,

21 3 3 **No Grant** If we elect not to grant a renewal franchise, Our Notice will describe the reasons for our decision

21 4 **Agreements / Releases.** If you satisfy all of the other conditions to the grant of a renewal franchise, you and your Owners agree to execute the form of franchise agreement and any ancillary agreements we are then customarily using in connection with the grant of renewal franchises for LIGHTNING RAINGUTTERS businesses You and your Owners further agree to execute general releases, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns Failure by you or your Owners to sign these agreements and releases and deliver them to us for acceptance and execution within sixty (60) days after their delivery to you will be deemed an election not to acquire a renewal franchise

22 TERMINATION OF AGREEMENT

22 1 **BY YOU** You and your Owners may not terminate this Agreement except by operation of law Your termination of this Agreement for any other reason or without availing yourself of legal redress will be deemed a termination without cause

22 2 **BY US** We have the right to terminate this Agreement, effective upon delivery of written notice of termination to you, if

22 2 1 your Managing Owner fails to successfully complete initial training to our satisfaction,

22 2 2 you fail to begin operating the Franchised Business within ninety (90) calendar days after the Effective Date of this Agreement,

22 2 3 you abandon or fail actively to operate the Franchised Business for more than thirty (30) consecutive days, unless the Franchised Business has been closed for a purpose we have approved,

22 2 4 you surrender or transfer control of the operation of the Franchised Business without our prior written consent,

22 2 5 you (or any of your Owners) have made any material misrepresentation or omission in connection with your purchase of the franchise,

22 2 6 you (or any of your Owners) are or have been convicted by a trial court of, or plead or have pleaded guilty or no contest to, a felony or any crime involving moral turpitude,

22 2 7 you (or any of your Owners) engage in any dishonest or unethical conduct which may adversely affect the reputation of the Franchised Business or another LIGHTNING RAINGUTTERS business or the goodwill associated with the Marks,

22 2 8 you (or any of your Owners) make an unauthorized assignment of this Agreement or of an ownership interest in you or the Franchised Business,

22 2 9 in the event of the death or permanent disability of the Managing Owner, a manager is not appointed within sixty (60) days after the death or permanent disability of your Managing Owner or any such manager fails to complete our training within thirty (30) days after being appointed,

22 2 10 you (or any of your Owners) make any unauthorized use or disclosure of any Confidential Information or use, duplicate or disclose any portion of the Operating Manual in violation of this Agreement,

22 2 11 you violate any health, safety, sanitation or other applicable law, ordinance or regulation and do not immediately begin to cure the noncompliance or violation, and correct such noncompliance or violation within twenty four (24) hours after written notice thereof is delivered to you,

22 2 12 you fail to make payments of any amounts due to us and do not correct such failure within seven (7) days after written notice of such failure is delivered to you,

22 2 13 you fail to pay when due any federal or state income, service, sales, employment related or other taxes due on the operations of the Franchised Business, unless you are, in good faith, legally contesting your liability for such taxes,

22 2 14 you (or any of your Owners) fail to comply with any other provision of this Agreement or Methods of Operation and do not correct such failure within thirty (30) days after written notice of such failure to comply is delivered to you,

22 2 15 on three (3) or more separate occasions within any period of twelve (12) consecutive months you (or any of your Owners) fail to submit when due reports or other data, information or supporting records, to pay when due any amounts due to us, or to comply with this Agreement, whether or not such failures to comply were corrected after written notice of such failure was delivered to you,

22 2 16 you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due, you consent to the appointment of a receiver, trustee or liquidator of all or the substantial part of your property, the Franchised Business or any of its assets is attached, seized, subjected to a writ or distress warrant or levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within thirty (30) days, or any order appointing a receiver, trustee or liquidator of you or the Franchised Business is not vacated within thirty (30) days following the entry of such order, or

22 2 17 you fail to comply in all respects with the requirements of any customer service program or customer retention program, or you fail to achieve customer satisfaction index results we require for any customer service program, or you fail to achieve customer retention rate results we require for any customer retention program

23. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.

23 1 **Payment of Amounts Owed to Us and Assignment of Customer Accounts.** Any money which you owe us as of the termination or expiration date of this Agreement shall be paid to us by you within fifteen (15) days of the effective date of the termination or expiration You agree that all customer accounts shall be assigned by you immediately to us upon termination or expiration of this Agreement and you agree to execute any and all documents and do such acts as we may request to carry out such assignment of your customer accounts, in our sole business judgment

23 2 **Marks.** Upon the termination, for any reason, or expiration of this Agreement

23 2 1 you may not directly or indirectly at any time or in any manner (except with respect to other LIGHTNING RAINGUTTERS businesses you own and operate) identify yourself or any business as a current or former LIGHTNING RAINGUTTERS business, or as one of our licensees or franchisees, use any Marks, any colorable imitation thereof or other indicia of a LIGHTNING RAINGUTTERS business in any manner or for any purpose or utilize for any purpose any trade name, trademark or service mark or other commercial symbol that indicates or suggests a connection or association with us,

23 2 2 you agree to take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any Marks,

23 2 3 if we do not exercise our option to purchase the Franchised Business pursuant to Section 23 6, you agree to deliver to us within thirty (30) days after the Notification Date (as defined in Section 23 6 1) all signs, sign-faces, sign-cabinets, marketing materials, forms, packaging and other materials containing any Marks or otherwise identifying or relating to a LIGHTNING RAINGUTTERS business and allow us, without liability to you or third parties, to remove all such items from the Franchised Business,

23 2 4 if we do not exercise our option to purchase the Franchised Business pursuant to Section 23 6, you agree that, after the Notification Date, you will promptly and at your own expense make such alterations as we may specify to distinguish the Franchised Business clearly from its former appearance and from other LIGHTNING RAINGUTTERS businesses so as to prevent confusion therewith by the public, and

23 2 5 you agree to furnish us, within thirty (30) days after the Notification Date, with evidence satisfactory to us of your compliance with the foregoing obligations

23 3 **Confidential Information.** You agree that, upon termination, for any reason, or expiration of this Agreement, you will immediately cease to use any of our Confidential Information in any business or otherwise and return to us all copies of the Operating Manual and any other confidential materials, including, without limitation, computer software and any mechanisms (electronic key) used to access the software, that we have allowed you to use

23 4 **Covenant Not to Compete** Upon the termination or expiration of this Agreement in accordance with its terms and conditions, including the transfer or assignment of this Agreement or any interest in the Franchised Business, you agree that for a period of twenty four (24) months commencing on the effective date of termination or expiration neither you nor any of your Owners will have any direct or indirect interest as a disclosed or beneficial owner, investor, partner, director, officer, employee in a management or sales capacity, consultant, representative

or agent, or in any other capacity in any Competitive Business operating or providing services in the Territory, or operating or providing services in an area within one hundred (100) miles of the principal business location of any other LIGHTNING RAINGUTTERS business operating upon the effective date of termination or expiration date of the Agreement

23 5 **Commencement by Order.** If it becomes necessary to enforce the Covenant Not to Compete by court order, we will seek to enjoin competition for two (2) years from the date of issuance of the order You and your Owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting such skills Consequently, enforcement of the covenants made in this Section will not deprive you of your personal goodwill or ability to earn a living

23 6 **Our Rights to Purchase the Franchised Business.**

23 6 1 Exercise of Option Upon termination or expiration of this Agreement in accordance with its terms and conditions or your termination of this Agreement without cause, we have the option, exercisable by giving written notice to you within sixty (60) days from the date of such termination or expiration, to purchase the Franchised Business from you (The date on which we notify you whether or not we are exercising our option is referred to in this Agreement as the "Notification Date ") We have the unrestricted right to assign this option to purchase the Franchised Business We will be entitled to all customary warranties and representations in connection with our asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to assets, liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise

23 6 2 Purchase Price The purchase price for the Franchised Business will be its fair market value, determined in a manner consistent with reasonable depreciation of the Franchised Business' vehicles, equipment, signs, inventory, materials and supplies, provided that the Franchised Business will be valued as an independent business and its value will not include any value for the Franchise or any rights granted by this Agreement, the Marks, or participation in the network of LIGHTNING RAINGUTTERS businesses

23 6 3 Exclusions We may exclude cash or its equivalent and any vehicles, equipment, signs, inventory, materials and supplies that are not reasonably necessary (in function or quality) to the Franchised Business' operation or that we have not approved as meeting standards for LIGHTNING RAINGUTTERS businesses from the assets purchased, and the purchase price will reflect these exclusions

23 6 4 Appraisal If we and you are unable to agree on the Franchised Business' fair market value, its fair market value will be determined by three (3) independent appraisers who collectively will conduct one (1) appraisal We will appoint one appraiser, you will appoint one appraiser and the two party appointed appraisers will appoint the third appraiser You and we agree to select our respective appraisers within fifteen (15) days after the date we determine that we are unable to agree on the Franchised Business' fair market value, and the two appraisers so chosen are obligated to appoint the third appraiser within fifteen (15) days after the date on which the last of the two party appointed appraisers was appointed You and we will bear the cost of our own appraisers and share equally the reasonable fees and expenses of the third appraiser chosen by the two party appointed appraisers You and we will take reasonable actions to cause the

appraisers to complete their appraisal within thirty (30) days after the third appraiser's appointment

23 6 5 Closing The purchase price will be paid at the closing of the purchase, which will take place not later than ninety (90) days after determination of the purchase price We have the right to set off against the purchase price, and thereby reduce the purchase price by, any and all amounts you or your Owners owe to us

23 6 6 Instruments At the closing, you agree to deliver instruments transferring

23 6 6 1 good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and other transfer taxes paid by you, and

23 6 6 2 all licenses and permits of the Franchised Business which may be assigned or transferred

23 6 7 Escrow If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale will, at our election, be accomplished through an escrow arrangement with an independent escrow agent selected by us

23 6 8 Releases You and your Owners agree to execute general releases, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns

23 7 **Continuing Obligations.** All of our and your (and your Owners' and Affiliates') obligations which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire

24 RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION.

24 1 **Independent Contractors** You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that we and you are and will be independent contractors and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner or employee of the other for any purpose You agree to conspicuously identify yourself in all dealings with customers, suppliers, public officials, Business personnel and others as the owner of the Franchised Business under a franchise we have granted and to place such notices of independent ownership on such forms, checks, business cards, stationery and advertising and other materials as we may require from time to time

24 2 **No Liability For Acts of Other Party.** You agree not to employ any of the Marks in signing any contract or applying for any license or permit, or in a manner that may result in our liability for any of your indebtedness or obligations, and that you will not use the Marks in any way we have not expressly authorized Neither we nor you will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other, represent that our respective relationship is other than Franchisor and Franchisee or be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized in writing We will not be obligated for any damages of any nature whatsoever to any person or property directly or indirectly arising out of the Franchised Business' operation or the business you conduct pursuant to this Agreement

24 3 **Taxes** We will have no liability for any sales, use, service, occupation, excise, employment related, gross receipts, income, property or other taxes, whether levied upon you or the Franchised Business, in connection with the business you conduct (except any taxes we are required by law to collect from you with respect to purchases from us) Payment of all such taxes is your responsibility

24 4 **Indemnification** You, and each of the Guarantors identified in Appendix C, agree that you shall, at all times, indemnify, exculpate, defend and hold harmless, to the fullest extent permitted by law, us, our successor, assigns, affiliates and the respective officers, directors, shareholders, agents, representatives, independent contractors, servants, and employees of each of them (the "Indemnified Parties") from all losses and expenses incurred in connection with any action, suit, proceeding, claim, demand, investigation, or inquiry (formal or informal), or any settlement thereof, which arises out of or is based upon any of the following the infringement, alleged infringement or any other violation by you, your Guarantors or principals of any patent, mark, copyright, or other proprietary right owned or controlled by third parties, the violation, breach, or asserted violation or breach by you, your Guarantors or principals of any federal, state, or local law, regulation, ruling or industry standard, libel, slander, or any other form of defamation by you or your Guarantors or principals, the violation or breach by you or by your Guarantors or principals of any warranty, representation, agreement, or obligation of this Agreement or in any other agreement between you and us or our Affiliates, acts, errors, omissions of you, any of your Affiliates, any of your principals, officers, directors, shareholders, agents, representatives, independent contractors, and employees of you and your Affiliates in connection with the establishment and operation of the Franchised Business, including, but not limited to, any acts, errors, or omissions of any of the foregoing in the operation of any motor vehicle or in the establishment or implementation of security for the Franchised Business For purposes of this indemnification, "claims" includes all obligations, damages (actual, consequential or otherwise) and costs incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses We have the right to defend any such claim against us at your expense This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement

24 5 **Mitigation Not Required** Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you

25 ENFORCEMENT AND MISCELLANEOUS MATTERS

25 1 **Severability and Substitution of Valid Provisions** Except as expressly provided to the contrary herein, each provision of this Agreement, and any portion thereof, will be considered severable, and if, for any reason, any such provision is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that ruling will not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which will continue to be given full force and effect and bind the parties hereto, although any portion held to be invalid will be deemed not to

be a part of this Agreement from the date the time for appeal expires, if you are a party thereto, otherwise upon your receipt from us of a notice of non-enforcement thereof

25 2 **Lesser Covenant Enforceable** If any covenant herein is unenforceable because it is too broad, but would be enforceable by reducing it in scope, time or other manner you and we agree that such covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law is applicable to the validity of such covenant

25 3 **Greater Notice** If any applicable and binding law or rule of any jurisdiction requires a greater prior notice than is required herein, this Agreement is deemed modified to comply with the applicable law

25 4 **Waiver of Obligations** We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver Any waiver we grant will be without prejudice to any other rights we may have, will be subject to our continuing review and may be revoked, in our sole business judgment, at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice

25 5 **Non-Waiver** We and you will not be deemed to have waived or impaired any right, power or option reserved by this Agreement

25 6 **Force Majeure.** Neither we nor you will be liable for loss or damage or deemed to be in breach of this Agreement if our or your failure to perform our or your obligations is not our or your fault and results from

25 6 1 unforeseeable transportation shortages, inadequate supply of equipment, products, merchandise, supplies, labor, material or energy or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof,

25 6 2 acts of nature,

25 6 3 fires, strikes, embargoes, war or riot, or

25 6 4 any other similar event or cause

25 7 **Extend Performance** Any delay resulting from any force majeure causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed

25 8 **Discontinued Programs/Promotions** We are not liable to you for any loss or damage, or deemed to be in breach of this Agreement, if we discontinue any programs or promotions and they are no longer a part of our Methods of Operation or if we cannot deliver, or cause to be delivered, or if our affiliates or designated sources or approved suppliers cannot deliver, all of your orders for products, merchandise, equipment, supplies, etc , where such things are out-of-stock or discontinued

25 9 **Costs and Attorney's Fees** If we incur expenses in connection with your failure to pay when due amounts owed to us, to submit when due any reports, information or supporting records or

otherwise to comply with this Agreement, you agree to reimburse us for any of the costs and expenses which we incur, including, without limitation, reasonable accounting, attorneys', arbitrators' and related fees

25 10 **You May Not Withhold Payments Due to Us** You agree that you will not withhold payment of any amounts owed to us on the grounds of our alleged nonperformance of any of our obligations hereunder You agree that all such claims will, if not otherwise resolved by us, be submitted to arbitration as provided in Section 25 12

25 11 **Rights of Parties are Cumulative** Our and your rights hereunder are cumulative, and no exercise or enforcement by us or you of any right or remedy hereunder will preclude our or your exercise or enforcement of any other right or remedy hereunder which we or you are entitled by law to enforce

25.12 DISPUTE RESOLUTION.

25 12 1 Mediation Except as provided in Section 25 12 3 , prior to filing any demand for arbitration, the parties agree to mediate any dispute, controversy or claim between the parties and any of our or your affiliates, officers, directors, shareholders, members, guarantors, employees or owners arising under, out of, in connection with or in relation to this Agreement, any lease or sublease for your Franchised Business, any loan or other finance arrangement between us or our affiliates and you, the parties' relationship, your Franchised Business, or any Methods of Operation, Operating System or Operating Standard, in accordance with the following procedures

25 12 1 1 The party seeking mediation must commence mediation by sending the other party, in accordance with Section 26, a written notice of its request for mediation headed "Notification of Dispute" The Notification of Dispute will specify, to the fullest extent possible, the party's version of the facts surrounding the dispute, the amount of damages and the nature of any injunctive or other relief such party claims The party (or parties as the case may be) receiving a Notification of Dispute will respond within twenty (20) days after receipt thereof, in accordance with Section 26, stating its version of the facts, and, if applicable, its position as to damages sought by the party initiating the dispute procedure, provided, however, that if the dispute has been the subject of a default notice given under Section 22 of this Agreement, the other party will respond within ten (10) business days

25 12 1 2 Upon receipt of a Notification of Dispute and response under Section 25 12 1, the parties will endeavor, in good faith, to resolve the dispute outlined in the Notification of Dispute and response If the parties have been unable to resolve a dispute outlined in a Notification of Dispute or a response thereto within twenty (20) days after receipt of the response, either party may initiate a mediation procedure in accordance with the American Arbitration Association ("AAA"), pursuant to its Commercial Mediation Procedures, and unless otherwise agreed by the parties will take place in the city of our then-current corporate headquarters The parties must select a mediator jointly

25 12 1 3 All mediation session will occur in the city closest to where our headquarters is located at the time of the dispute and must be attended by your principal Owners or Managing Owner (and any other persons with authority to settle the dispute on your behalf) and our representatives(s) who is/are authorized to settle the dispute The parties may be represented by counsel at the mediation The parties agree to participate in the mediation proceedings in good faith and with the intention of resolving the dispute if at all possible within thirty (30) days of the notice from the party seeking to initiate the mediation procedures If the dispute is not resolved within thirty (30) days, the parties are free to pursue arbitration In addition, if the party receiving notice of mediation has not responded within five (5) days of delivery of the notice or a party fails to participate in the mediation, this Section 25 12 1 will no longer be applicable and the other party can pursue arbitration The parties agree that the costs of the mediator will be split equally between the parties Each party must pay its own fees and expenses incurred in connection with the mediation The mediation proceeding and any negotiations and results thereof will be treated as a compromise settlement negotiation and the entire process is confidential At least five (5) days prior to the initial mediation session, each party must deliver a written statement of positions

25 12 2 Arbitration Except as provided in Section 25 12 3, any dispute, controversy or claim between you and us and any of our or your affiliates, officers, directors, shareholders, members, guarantors, employees or owners arising under, out of, in connection with or in relation to this Agreement, any lease of sublease for your Franchised Business, any loan or other financial arrangement between us or our affiliates and you, the parties' relationship, your Franchised Business, or any System Standard or the scope or validity of the arbitration obligation under this Section not resolved by mediation must be submitted to binding arbitration in accordance with the Federal Arbitration Act The arbitration will be administered by the AAA pursuant to its Commercial Arbitration Rules then in effect by one arbitrator

25 12 2 1 In connection with any arbitration proceeding, each party will submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates Any such claim which is not submitted or filed in such a proceeding will be barred

25 12 2 2 Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any claim or any other proceeding involving third parties If a court or arbitrator determines that this limitation or joinder of or class action certification of claims is unenforceable, then the agreement to arbitrate the dispute will be null and void and the parties must submit all claims to the jurisdiction of the courts, in accordance with Section 25 14

25 12 2 3 The arbitration must take place in the city closest to where our headquarters is located at the time of the dispute

25 12 2 4 The arbitrator must follow the law and not disregard the terms of this Agreement The arbitrator must have at least five (5) years of significant experience in commercial law The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us The arbitrator may not under any circumstances (a) stay the effectiveness of any pending termination of this Agreement, (b) assess punitive or exemplary damages, (c) certify a class or a consolidated action, or (d) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set The arbitrator will have the right to make a determination as to any procedural matters as would a court of competent jurisdiction be permitted to make in the state in which the main office of Franchisor is located The arbitrator will also decide any factual, procedural, or legal questions relating in any way to the dispute between the parties, including, but not limited to any decision as to whether Section 25 14 is applicable and enforceable as against the parties, subject matter, timeliness, scope, remedies, unconscionability, and any alleged fraud in the inducement

25 12 2 5 The arbitrator can issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief Each party consents to the enforcement of such orders, injunctions, etc by any court having jurisdiction

25 12 2 6 The arbitrator will have subpoena powers limited only by the laws of the state in which the main office of the Franchisor is located

25 12 2 7 The parties to the dispute will have the same discovery rights as are available in civil actions under the laws of the state in which the main office of Franchisor is then located

25 12 2 8 All other procedural matters will be determined by applying statutory, common laws, and rules of procedure that control a court of competent jurisdiction in which the main office of Franchisor is then located

25 12 2 9 Other than as may be required by law, the entire arbitration proceedings (including, but not limited to, any rulings, decisions or orders of the arbitrator) will remain confidential and will not be disclosed to anyone other than the parties to this Agreement

25 12 2 10 The judgment of the arbitrator on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction

25 12 2 11 We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have

waived or relinquished our right to seek recovery of those costs in accordance with Section 25 9 or 25 12 4

25 12 3 Exceptions to Arbitration Notwithstanding Sections 25 12 1 and 25 12 2, the parties agree that the following claims will not be subject to arbitration or mediation

25 12 3 1 any action for equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, declaratory relief, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including, without limitation, prior to or during the pendency of any arbitration proceeding initiated hereunder,

25 12 3 2 any action in ejectment or for possession of any interest in real or personal property,

25 12 3 3 any action which by applicable law cannot be arbitrated, or

25 12 3 4 our decision in the first instance to issue a notice of default and/or notice of termination, or undertake any other conduct with respect to the franchise relationship that might later result in a dispute or controversy between us

25 12 4 Costs and Attorney's Fees The prevailing party in any action or proceedings arising under, out of, in connection with, or in relation to this Agreement will be entitled to recover its reasonable costs and expenses (including attorneys' fees, arbitrator's fees and expert witness fees, costs of investigation and proof of facts, court costs, and other arbitration or litigation expenses) incurred in connection with the claims on which it prevailed

25 12 5 Survival The provisions of this Section 25 12 are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement

25 12 6 Tolling of the Statute of Limitations All applicable statutes of limitations and defenses based on the passage of time are tolled while the dispute resolution procedures in this Section 25 12 are pending The parties will take such action, if any, required to effectuate tolling

25 12 7 Performance to Continue Each party must continue to perform its obligations under this Agreement pending final resolution of any dispute pursuant to this Section 25 12, unless to do so would be impossible or impracticable under the circumstances

25 13 **Governing Law** All matters relating to arbitration will be governed by the FEDERAL ARBITRATION ACT (9 U S C , §§ 1 *et seq*) Except to the extent governed by the Federal Arbitration Act as required hereby, the UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U S C §§ 1051 *et seq*) or other federal law, this Agreement, the franchise and all claims arising from the relationship between us and you will be governed by the laws of California, without regard to its conflict of laws principles, except that any law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless jurisdictional requirements are met independently without reference to this Section

25 14 **Consent to Jurisdiction** Subject to Section 25 12, you and your Owners agree that we may institute any action against you or your Owners in any state or federal court of general jurisdiction in California, and you (and each Owner) irrevocably submit to the jurisdiction of such courts and waive any objection you (or he or she) may have to either the jurisdiction of or venue in such courts

25 15 **Waiver of Punitive Damages and Jury Trial** Except with respect to your obligation to indemnify us pursuant to Section 24 hereof and claims we bring against you for your unauthorized use of the Marks or unauthorized use or disclosure of any Confidential Information, we and you and your respective owners waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains We and you irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either party

25 16 **Binding Effect** This agreement is binding upon us and you and our respective executors, administrators, heirs, beneficiaries, assigns and successors in interest and may not be modified except by written agreement signed by you and us

25 17 **Limitations of Claims** Except for claims arising from your nonpayment or underpayment of amounts you owe us pursuant to this Agreement or claims related to your unauthorized use of the Marks, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a judicial or arbitration proceeding is commenced within one (1) year from the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims

25 18 **Construction** The preambles and exhibits are a part of this Agreement which, together with the Operating Manual and our other written policies, constitute our and your entire agreement except as provided below, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement, except that you acknowledge that we justifiably have relied on your representations made prior to the execution of this Agreement Except as contemplated by the arbitration provisions of Section 25 12, nothing in this Agreement is intended, nor is deemed, to confer any rights or remedies upon any person or legal entity not a party hereto Nothing in the Agreement or in any related agreement is intended to disclaim our representations made in the Franchise Disclosure Document

25 19 **Withhold Approval** Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed or effected actions that require our approval

25 20 **Section Headings.** The headings of the Sections are for convenience only and do not define, limit or construe the contents of the Sections

25 21 **Joint and Several Owner's Liability** If two or more persons are at any time the owner of the Franchised Business, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several

25 22 **Multiple Copies** This Agreement may be executed in multiple copies, each of which will be deemed an original

26 **NOTICES AND PAYMENTS.**

26 1 **Notices** All written notices and reports permitted or required to be delivered by the provisions of this Agreement or the Operating Manual will be deemed so delivered

26 1 1 at the time delivered by hand,

26 1 2 one (1) business day after transmission by telecopy, facsimile or other electronic system, provided there is evidence of delivery,

26 1 3 one (1) business day after being placed in the hands of a commercial courier service for next business day delivery, provided there is evidence of delivery, or

26 1 4 five (5) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid, and must be addressed to the party to be notified at its most current principal business address of which the notifying party has been notified Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days prior thereto) will be deemed delinquent

26 2 **Electronic Payments** All electronic payments required to be delivered by the provisions of this Agreement or the Operating Manual will be deemed so delivered by EFT or bank-wire transfer upon telephone or electronic confirmation with the receiving bank

[THE SPACE BELOW IS LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement on the date stated on the first page hereof

Rich Franchising Company LLC

By _____

Title _____

Dated _____

EACH OF THE UNDERSIGNED PARTIES WARRANTS AND REPRESENTS THAT HE/SHE HAS NOT RELIED UPON ANY GUARANTEES CONCERNING REVENUE, PROFIT OR THE SUCCESS OF THIS FRANCHISE IN SO SIGNING

[FRANCHSE OWNER]

By _____

Title _____

Dated _____

As Individuals

_____

Dated _____

_____

Dated _____

_____

Dated _____

APPENDIX A

TO THE FRANCHISE AGREEMENT
BETWEEN Rich Franchising Company LLC
AND

_____

DATED _____, 20__

OWNERSHIP AND MANAGEMENT

1 **MANAGING OWNER** The name, home address, phone numbers and social security number of the Managing Owner is

_____
_____
_____

2 **FORM OF OWNER**

2 1 **Business Entity** What is the form of your business entity? _____

Date of Formation of Entity (Date of Incorporation, if applicable) _____

Federal Identification Number of Entity _____

The following is a list of your directors, if applicable, and officers as of the effective date of Appendix A shown above

Name of Each Director/Officer/Partner	**Position(s) Held**
_____	_____
_____	_____
_____	_____

3 **OWNERS** The following list includes the full name and mailing address of each person who is one of your Owners (as defined in the Franchise Agreement) and fully describes the nature of each Owner's interest

Owner's Name and Address	**Description of Interest** (Must total 100%)
_____	_____
_____	_____

APPENDIX A

TO THE FRANCHISE AGREEMENT
BETWEEN Rich Franchising Company LLC
AND

_____
(continued)

IN WITNESS WHEREOF, the parties hereto have executed this Appendix A to the Franchise Agreement on the date(s) set forth below.

Rich Franchising Company LLC

By _____

Name Printed _____

Title _____

[FRANCHSE OWNER]

By _____

Name Printed _____

Title _____

Dated _____

As Individuals

_____

Name Printed _____

Dated _____

_____

Name Printed _____

Dated _____

_____

Name Printed _____

Dated _____

_____

Name Printed _____

Dated _____

APPENDIX B

TO THE FRANCHISE AGREEMENT
BETWEEN Rich Franchising Company LLC
AND

_____

DATED _____, 20___

LOCATION AND TERRITORY.

1 **LOCATION.**

The approved business location ("Location") of the Franchised Business is

_____

_____

If no location is approved at the time this Agreement is executed, this Appendix B will be updated when a location has been designated by you and duly approved by us

2 **TERRITORY DEFINITION** The Territory referred to in the Franchise Agreement shall be as follows

_____

_____

_____

3 **TERRITORY AS OF TODAY.** If the Territory is identified by counties or other political subdivisions, the Territory will be fixed by the political boundaries as they exist today Any later changes to political boundaries shall not change the boundaries of the Territory

Rich Franchising Company LLC

By _____
Title _____
Dated _____

[FRANCHSE OWNER]

By _____
Title _____
Dated _____

As Individuals

_____
Dated _____

_____
Dated _____

APPENDIX C

TO THE FRANCHISE AGREEMENT
BETWEEN Rich Franchising Company LLC
AND

_____

DATED _____, 20___

GUARANTY AND ASSUMPTION OF OBLIGATIONS.

1 **GUARANTORS** THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS (the "Guaranty") is given this _____ day of_____, 20_____, by _____.

2 **GUARANTEES.** In consideration of, and as an inducement to, the execution of the Franchise Agreement (the "Agreement") dated today between _____ ("Franchisee") and Rich Franchising Company LLC ("us" "we" or "our"), each of the undersigned guarantors (the "Guarantor") hereby personally and unconditionally

2 1 guarantees to us and our successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that

_____

_____

will punctually pay, perform and satisfy each and every obligation, undertaking, agreement and covenant of Franchisee set forth in the Agreement, and

2 2 agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, and

2 3 agrees to pay reasonable attorney's fees and all costs incurred by us in collecting, or attempting to collect, any sums owed by Franchisee under the Agreement, or otherwise enforcing, or attempting to enforce, any provision of the Agreement, or owed by the Guarantor as a result of, or in connection with this Guaranty Each Guarantor's liabilities and obligations hereunder are primary and direct and are independent of Franchisee's obligations, and separate actions may be brought and prosecuted against the Guarantor This is a Guaranty of payment and performance and not of collection

3 **CONSENT AND AGREEMENT.** Each Guarantor consents and agrees that

3 1 his direct and immediate liability under this Guaranty will be joint and several,

3 2 he will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses, for any reason, punctually to do so,

3 3 such liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person, and

3 4 such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement and thereafter

3 5 This Guaranty shall be binding on each Guarantor and his respective successors and assigns, and shall inure to our benefit and the benefit our successors and assigns The Guarantor may not assign his obligations hereunder without our prior written consent

The obligations of Franchisee and Guarantor, as described herein and in the Agreement, shall not be considered fully paid, performed and discharged unless and until all payments by Franchisee to us are no longer subject to any right on the part of any person to set aside such payments or to seek to recoup the amount of such payments The foregoing shall include, by way of example and not by way of limitation, all rights to recover preferences voidable under Title 11 of the United States Code If any such payments by Franchisee to us are set aside in whole or in part after being made, or are settled without litigation, to the extent of such settlement, all of which is in our business judgment, the Guarantor shall be liable, jointly and severally for the full amount of our costs, interest, attorney's fees and any and all expenses which we pay or incur in connection therewith

4 **WAIVERS** Each Guarantor waives all rights to payments and claims for reimbursement or subrogation which any of the Guarantors may have against Franchisee arising as a result of the Guarantor's execution of and performance under this Guaranty

IN WITNESS WHEREOF, each of the undersigned Guarantors has affixed his signature on the same day and year as the Agreement was executed

GUARANTOR(S)

_____

_____

Date

_____

_____

Date

_____

_____

Date

APPENDIX D

TO THE FRANCHISE AGREEMENT
BETWEEN Rich Franchising Company LLC
AND

_____

DATED _____, 20____

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

The undersigned depositor ("DEPOSITOR") hereby 1) authorizes Rich Franchising Company LLC ("LIGHTNING RAINGUTTERS") to initiate debit entries and/or credit correction entries to the DEPOSITOR's checking and/or savings account indicated below and 2) authorizes the depository designated below ("DEPOSITORY") to debit such accounts pursuant to LIGHTNING RAINGUTTERS's instructions

_____ _____
DEPOSITORY Branch

_____ _____ _____
City State Zip Code

_____ _____
Bank Transit/ABA Number Account Number

This authority shall remain in full force and effect until DEPOSITORY has received joint written notification from LIGHTNING RAINGUTTERS and DEPOSITOR of the DEPOSITOR's termination of such authority in such time and in such manner as to afford DEPOSITORY a reasonable opportunity to act on it Notwithstanding the foregoing, DEPOSITORY shall provide LIGHTNING RAINGUTTERS and DEPOSITOR with thirty (30) days' prior written notice of the termination of this authority These rights are in addition to any rights DEPOSITOR may have under federal and state banking laws

_____ _____
DEPOSITOR (Print Name) DEPOSITORY (Print Name)

By _____ By _____

Title _____ Title _____

Date _____ Date _____

ACKNOWLEDGMENT ADDENDUM TO
LIGHTNING RAINGUTTERS FRANCHISE AGREEMENT
BETWEEN Rich Franchising Company LLC
AND
_____

As you know, you and we are entering into a Franchise Agreement for the operation of a LIGHTNING RAINGUTTERS franchise The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business Please review each of the following questions carefully and provide honest responses to each question

Acknowledgments and Representations

1 Have you received and personally reviewed our Franchise Agreement and each exhibit and schedule attached to it?

Yes No

2 Do you understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it?

Yes No

If "No," what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary)

_____
_____
_____

3 Did you receive a copy of the Franchise Agreement at least seven (7) days prior to signing it?

Yes No

4 Have you received and personally reviewed the Disclosure Document we provided to you?

Yes No

5 Do you understand all of the information contained in the Disclosure Document?

Yes No

If "No", what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary)

_____
_____
_____

ACKNOWLEDGMENT ADDENDUM TO
LIGHTNING RAINGUTTERS FRANCHISE AGREEMENT
BETWEEN Rich Franchising Company LLC
AND

_____

(continued)

6 Did you receive a copy of the Disclosure Document at least fourteen (14) days prior to signing any agreement with us or paying us any money?

Yes No

7 Have you discussed the benefits and risks of operating a Franchised Business with an attorney, accountant or other professional advisor and do you understand those risks?

Yes No

8 Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other Businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes No

9 Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a Franchised Business operated by us or our franchisees?

Yes No

10 Has any employee or other person speaking on our behalf made any statement or promise concerning the Franchised Business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes No

11 Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a Franchised Business?

Yes No

12 Has any employee or other person speaking on our behalf made any statement or promise concerning the total amount of revenue a Franchised Business will generate?

Yes No

13 Has any employee or other person speaking on our behalf made any statement or promise regarding the costs you may incur in operating a Franchised Business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes No

ACKNOWLEDGMENT ADDENDUM TO
LIGHTNING RAINGUTTERS FRANCHISE AGREEMENT
BETWEEN Rich Franchising Company LLC
AND

_____

(continued)

14 Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes No

15 Has any employee or other person speaking on our behalf made any statement, promise, or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish you that is contrary to, or different from, the information contained in the Disclosure Document?

Yes No

16 If you have answered "Yes" to any of questions nine (9) through fifteen (15), please provide a full explanation of your answer in the following blank lines (Attach additional pages, if necessary, and refer to them below) If you have answered "No" to each of such questions, please leave the following lines blank

_____

_____

_____

17 Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and such dealings are solely between you and the Franchisor?

Yes No

18 Do you understand that nothing in the Franchise Agreement or in our communications with one another is intended to make, or in fact makes, either you or us a general or limited partner, general or special agent, joint venturer, or employee of the other for any purpose, that the Franchise Agreement does not create a fiduciary relationship between you and us, and that we and you are and will be independent contractors during the term of the Franchise Agreement?

Yes No

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH

NOTE. IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

ACKNOWLEDGMENT ADDENDUM TO
LIGHTNING RAINGUTTERS FRANCHISE AGREEMENT
BETWEEN Rich Franchising Company LLC
AND

_____

(continued)

Signed _____

Date _____

APPROVED ON BEHALF OF
Rich Franchising Company LLC

By _____

Title _____

Date _____

LIGHTNING RAINGUTTERS

EXHIBIT "B"
TO THE FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

Rich Franchising Company LLC

FINANCIAL STATEMENTS

December 31, 2018

Rich Franchising Company LLC
(A California Limited Liability Company)

TABLE OF CONTENTS

December 31, 2018

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MICHAEL GILLESPIE & ASSOCIATES, PLLC

CERTIFIED PUBLIC ACCOUNTANTS
10544 ALTON AVE NE
SEATTLE, WA 98125
206 353 5736

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
Rich Franchise Company LLC

We have audited the accompanying financial statements of Rich Franchising LLC (the Company), which comprise the balance sheet as of December 31, 2018, the related statements of operations, members' equity/(deficit), and cash flows for the period from October 1 (inception) through December 31, 2018 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 financial statements that are free from material misstatement, whether due to error or fraud

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit We conducted our audit 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud In making those risk assessments, the auditors consider 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 Rich Franchise Company LLC as of December 31, 2018, and the results of its operations and its cash flows for the period from October 1 (inception) through December 31, 2018 in accordance with accounting principles generally accepted in the United States of America

/S/ Michael Gillespie & Associates, PLLC
Seattle, WA 98125
April 16, 2019

Rich Franchise Company LLC
(A California Limited Liability Company)
BALANCE SHEET
As of December 31, 2018

ASSETS	**2018**
Current Assets	
Cash	$ 20,000
Accounts receivable	0 00
Total Current Assets	20,000
Property & Equipment, Net	0 00
TOTAL ASSETS	$ 20,000
LIABILITIES AND MEMBERS' EQUITY	
LIABILITIES	
Current Liabilities	
Credit card payable	$ 0 00
TOTAL LIABILITIES	0 00
MEMBERS' EQUITY	
Members' equity	20,000
TOTAL EQUITY	20,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 20,000

The accompanying notes are an integral part of the financial statements

Rich Franchise Company LLC
(A California Limited Liability Company)
STATEMENTS OF INCOME AND CHANGES IN MEMBERS' EQUITY
OCTOBER 1 (inception) through DECEMBER 31, 2018

	2018
REVENUE	$ 0 00
TOTAL REVENUES	0 00
OPERATING EXPENSES	
Bank charges	0 00
Professional Fees	0 00
Wages	0 00
Marketing	0 00
Rent	0 00
Meals & Entertainment	0 00
Printing	0 00
Licenses & Renewals	0 00
Depreciation	0 00
Office	0 00
Travel	0 00
	0 00
NET INCOME/(LOSS) FROM OPERATIONS	
OTHER INCOME (EXPENSE)	0 00
NET INCOME	0 00
MEMBERS' EQUITY, BEGINNING	0 00
MEMBERS' CONTRIBUTIONS	20,000
MEMBERS' DRAWS	0 00
MEMBERS' EQUITY, ENDING	20,000

The accompanying notes are an integral part of the financial statements

Rich Franchise Company LLC
(A California Limited Liability Company)
STATEMENT OF CASH FLOWS
OCTOBER 1 (inception) through DECEMBER 31, 2018

	2018
Cash Flows from Operating Activities	
Net income/(Loss) for the period	0 00
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities	
Net change is operating assets and liabilities	
Accounts receivable	0 00
Credit card payable	0 00
Depreciation	0 00
Net Cash Provided / (Used) by Operating Activities	0 00
Cash Flows from Investing Activities	
Purchase of Equipment	-
Net Cash (Used in) Investing Activities	-
Cash Flows from Financing Activities	
Member distributions	-
Member contributions	20,000
Net Cash (Used in) Provided by Financing Activities	20,000
Net Increase in Cash and Cash Equivalents	20,000
Cash and Cash Equivalents – Beginning	0 00
Cash and Cash Equivalents – Ending	$ 20,000
Supplemental Cash Flow Information:	
Cash paid for interest	$
Cash paid for income taxes	$

The accompanying notes are an integral part of the financial statements

Rich Franchise Company LLC
(A California Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
OCTOBER 1 (inception) through DECEMBER 31, 2018

Note 1 Summary of Significant Accounting Policies

Nature of Business
Rich Franchise Company LLC, a California corporation, (The "Company") was formed under the laws of the State of California on October 1, 2018 Rich Franchise Company LLC offers franchise opportunities for sale and ongoing franchise support including but not limited to staff training, software, management, marketing, etc to the franchise

Method of Accounting
The Company uses the accrual basis of accounting for financial reporting

Cash and Cash Equivalents
The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents The Company had $20,000 of unrestricted cash as of December 31, 2018

Federal Income Taxes
The company is a flow through entity and accordingly, no provision for federal income taxes has not been included in the financial statements

Use of Estimates
The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

Basis of Presentation
The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U S GAAP")

Note 2 – Going Concern

The company is was newly incorporated on October 1, 2018 and the company has no current operations and has generated no income to date These factors raise substantial doubt about its ability to continue as a going concern The financial statements have been prepared assuming that the Company will continue as a going concern

Note 3 – Equity

Starting equity for Rich Franchise Company LLC is in the amount of $20,000 No other business has taken place during this audit period

Note 4 – Subsequent Events

Management has evaluated subsequent events pursuant to the requirements of ASC Topic 855, from the balance sheet date through the date the financial statement were available to be issued, April 16, 2019, and have determined that there was a loan of $15,000 that was extended to an un-related party with no interest due and repayable in three years

LIGHTNING RAINGUTTERS

EXHIBIT "C"
TO THE FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE AGENCIES AND
LIST OF STATE AGENTS FOR SERVICE OF PROCESS

LIST OF STATE AGENCIES

California

Department of Business Oversight
320 West 4th Street
Los Angeles, CA 90013
866-275-2677

Connecticut

CT Dept of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103
860-240-8230

Florida

Florida Department of Agriculture & Consumer Services
Division of Consumer Services
2005 Apalachee Parkway
Tallahassee, FL 32399-6500
850-410-3807

Hawaii

Business Registration Division
Securities Compliance
Dept of Commerce & Consumer Affairs
335 Merchant Street
Honolulu, Hawaii 96813
808-548-2021

Illinois

Illinois Office of the Attorney General
500 South Second Street
Springfield, IL 62706
217-782-1090

Indiana

Franchise Section
Indiana Securities Division
Secretary of State
Room E-111
302 West Washington Street,
Indianapolis, Indiana 46204
317-232-6681

Kentucky

Kentucky Attorney General
700 Capitol Avenue
Frankfort, Kentucky 40601-3449
502-696-5300

Maine

Bureau of Banking
Securities Division
121 State House Station
Augusta, Maine 04333
207-624-8551

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

Michigan

Michigan Dept of Attorney General
Consumer Protection Div
Antitrust & Franchise Unit
670 Law Building
Lansing, Michigan 48913
517-373-1110

Minnesota

Minnesota Dept of Commerce
85 7th Place East, Suite 500
Saint Paul, Minnesota 55101
612-296-6328

Nebraska

Nebraska Department of Banking and Finance
1200 N Street – Suite 311
Post Office Box 95006
Lincoln, Nebraska 68509
402-471-3445

New York

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
212-416-8236

North Carolina

Secretary of State
Legislative Office Building
2 South Salisbury Street
Raleigh, NC 27601-2903
919-807-2000

North Dakota

North Dakota Office of Securities Commission
600 East Boulevard
Bismarck, North Dakota 58505
701-328-2910

LIST OF STATE AGENCIES

Rhode Island

Securities Division
1511 Pontiac Avenue
John Pastore Complex-69-1
Cranston, Rhode Island
02920-4407
(401) 462-9527

South Carolina

Secretary of State
1205 Pendleton Street
Suite 525
Columbia, SC 29201
803-734-1087

South Dakota

South Dakota Division of
Securities
445 East Capitol Avenue
Pierre, SD 57501-3185
605-773-4823

Texas

Secretary of State
Statutory Document Section
1719 Brazos
Austin, Texas 78701
512-475-1769

Utah

Department of Commerce
Division of Consumer
Protection
160 East 300 South
Post Office Box 45804
Salt Lake City, Utah
84145-0804
801-530-6601

Virginia

State Corporation
Commission
Division of Securities and
Retail Franchising
1300 East Main Street
Richmond, Virginia 23219
804-371-9051

Washington

Washington Department of
Financial Institutions
Securities Division
PO Box 9033
Olympia, Washington 98507-
9033
360-902-8760

Wisconsin

Wisconsin Department
Financial Institutions
201 West Washington Ave
Post Office Box 1768
Madison, Wisconsin 53703
608-261-9555

LIST OF STATE AGENTS FOR SERVICE OF PROCESS

California

California Commissioner of Business Oversight
320 West 4th Street
Los Angeles, California 90013
213-576-7500

Connecticut

Commissioner of Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103
860-240-8230

Florida

Florida Department of Agriculture & Consumer Services
Division of Consumer Services
2005 Apalachee Parkway
Tallahassee, FL 32399-6500
850-410-3807

Hawaii

Director, Dept of Commerce & Consumer Affairs
1010 Richards Street
Honolulu, Hawaii 96813
808-586-2727

Illinois

Illinois Attorney General
500 South Second Street
Springfield, IL 62706
217-782-1090

Indiana

Indiana Secretary of State
Room E-111
201 State House
200 W Washington Street
Indianapolis, Indiana 46204
317-232-6531

Kentucky

Kentucky Attorney General
700 Capitol Avenue
Frankfort, Kentucky 40601-3449
502-696-5300

Maine

Bureau of Banking
Securities Division
121 State House Station
Augusta, Maine 04333
207-624-8551

Maryland

Maryland Securities Commissioner
Securities Division
200 Saint Paul Place
Baltimore, MD 21202-2020
410-576-6360

Michigan

Michigan Dept of Commerce, Corporations and Securities Bureau
6546 Mercantile Way
Lansing, Michigan 48910
517-373-1110

Minnesota

Minnesota Commissioner of Commerce
85 7th Place East, Suite 500
Saint Paul, Minnesota 55101
612-296-4026

Nebraska

Nebraska Department of Banking and Finance
1200 N Street – Suite 311
Post Office Box 95006
Lincoln, Nebraska 68509
402-471-3445

New York

Secretary of State of New York
99 Washington Avenue
Albany, New York 12231
518-474-4750

North Carolina

Secretary of State
Legislative Office Building
2 South Salisbury Street
Raleigh, NC 27601-2903
919-807-2000

North Dakota

North Dakota Office of Securities Commission
600 East Boulevard
Bismarck, North Dakota 58505
701-328-2910

LIST OF STATE AGENTS FOR SERVICE OF PROCESS

Rhode Island

Director RI Department of
Business Regulation
1511 Pontiac Avenue
John Pastore Complex-69-1
Cranston, Rhode Island
02920-4407
(401) 462-9527

South Carolina

Secretary of State
1205 Pendleton Street
Suite 525
Columbia, SC 29201
803-734-1087

South Dakota

Director of South Dakota
Division of Securities
445 East Capitol Avenue
Pierre, SD 57501-3185
605-773-4823

Texas

Secretary of State
Statutory Document Section
1719 Brazos
Austin, Texas 78701
512-475-1769

Utah

Department of Commerce
Division of Consumer
Protection
160 East 300 South
Post Office Box 45804
Salt Lake City, Utah
84145-0804
801-530-6601

Virginia

Clerk, State Corporation
Commission
1300 East Main Street
Richmond, Virginia 23219
804-371-9733

Washington

Director, Department of
Financial Institutions
Securities Division
150 Israel Rd SW
Tumwater WA 98501
360-902-8760

Wisconsin

Wisconsin Department
Financial Institutions
201 West Washington Ave
Post Office Box 1768
Madison, Wisconsin 53703
608-261-9555

LIGHTNING RAINGUTTERS

EXHIBIT "D"
TO THE FRANCHISE DISCLOSURE DOCUMENT

COPY OF CURRENT FORM OF GENERAL RELEASE

RELEASE OF CLAIMS

THIS IS A CURRENT FORM THAT IS SUBJECT TO CHANGE OVER TIME

For and in consideration of the Agreements and covenants described below, Rich Franchising Company LLC ("LIGHTNING RAINGUTTERS") and _____ ("Franchisee") enter into this Release of Claims ("Agreement")

RECITALS

A LIGHTNING RAINGUTTERS and Franchisee entered into a LIGHTNING RAINGUTTERS Franchise Agreement dated _____, ____

B [NOTE Describe the circumstances relating to the release]

C Subject to and as addressed with greater specificity in the terms and conditions set forth below, LIGHTNING RAINGUTTERS and Franchisee now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement

AGREEMENTS

1 **Consideration** [NOTE Describe the consideration paid]

2-3 [NOTE Detail other terms and conditions of the release]

4 **Release of Claims by LIGHTNING RAINGUTTERS** In consideration of, and only upon full payment of $_____ to LIGHTNING RAINGUTTERS, and the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, LIGHTNING RAINGUTTERS, for itself and for each of its affiliated corporations, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of its past and present directors, officers, employees, attorneys, agents, assigns and representatives does hereby release and forever discharge Franchisee and each of his heirs, executors, successors, and assigns of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorney's fees), complaints, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, disclosed or undisclosed, related to the Franchise Agreement This release does not release Franchisee from any obligations he may have under this Agreement

5 **Release of Claims by Franchisee** In consideration of the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, Franchisee, for himself and for each of his heirs, executors, administrators, insurers, attorneys, agents, representatives, successors, and assigns, does hereby release and forever discharge LIGHTNING RAINGUTTERS and each of its respective affiliated corporations, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of their past and present directors, officers, employees, attorneys, agents, assigns and representatives in their capacities as such, of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorney's fees), complaints, charges, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, related to the Franchise Agreement

6 **Reservation of Claims Against Non-Settling Parties** LIGHTNING RAINGUTTERS and Franchisee expressly reserve their right and claims against any non-settling persons, firms, corporations, or other entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties

7 **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relative to the subject matter contained herein, and all prior understandings, representations and agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement

8 **Voluntary Nature of Agreement** The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion The parties further represent that they have had the opportunity to consult with

an attorney of their own choice, that they have read the terms of this Agreement, and that they fully understand and voluntarily accept the terms

9 **Governing Law and Jurisdiction** This Agreement will be construed and enforced in accordance with the law of the State of California

10 **Attorneys' Fees** All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law In the event of a breach of this Agreement that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party's attorneys' fees and costs incurred by reason of the breach

Rich Franchising Company LLC

By _____
Name Printed _____
Title _____
Dated _____

[OWNER CORPORATION OR PARTNERSHIP]

By _____
Name Printed _____
Title _____
Dated _____

LIGHTNING RAINGUTTERS

EXHIBIT "E"
TO THE FRANCHISE DISCLOSURE DOCUMENT

STATE ADDENDA

ADDENDUM TO
LIGHTNING RAINGUTTERS
FRANCHISE DISCLOSURE DOCUMENT FOR THE
STATE OF CALIFORNIA

The following information applies to franchises and franchisees subject to the California Franchise Investment Act Item numbers correspond to those in the main body

THE CALIFORNIA INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www dbo ca gov

SECTION 31125 OF THE CALIFORNIA INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF BUSINESS OVERSIGHT BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT

Item 3

Item 3 is amended to provide that neither we nor any other person identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A 78a et seq , suspending or expelling such persons from membership in such association

Item 5

The Department of Business Oversight requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed its pre-opening obligations and the franchisee is open for business

Item 17

1 California Business & Professions Code Sections 20000 through 20043 provide rights to you concerning termination or nonrenewal of a franchise If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control

2 Termination of the Franchise Agreement by us because of your insolvency or bankruptcy may not be enforceable under applicable federal law (11 U S C A 101 et seq)

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

ADDENDUM TO
LIGHTNING RAINGUTTERS
FRANCHISE DISCLOSURE DOCUMENT FOR THE
STATE OF CALIFORNIA
(continued)

4 You must sign a general release if you are granted a successor franchise or transfer your franchise These provisions may be unenforceable under California law California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516) Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043)

5 The Franchise Agreement requires binding arbitration The arbitration will occur in the office of the American Arbitration Association that is nearest to our principal business address with the costs being borne as determined by the arbitrator Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

ADDENDUM TO
LIGHTNING RAINGUTTERS
FRANCHISE AGREEMENT FOR THE
STATE OF CALIFORNIA

This Addendum pertains to franchises sold in the State of California and is for the purpose of complying with California statutes and regulations Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following

1 We will defer the collection of all initial fees from you until we have completed our pre-opening obligations and the franchise is open for business

2 Article 23 4 of the Franchise Agreement contains a covenant not to compete which extends beyond the term of the franchise This provision may not be enforceable under California law

In all other respects, the Franchise Agreement will be construed and enforced according to its terms Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms

Rich Franchising Company LLC

By _____
Name Printed _____
Title _____
Dated _____

[OWNER CORPORATION OR PARTNERSHIP]

By _____
Name Printed _____
Title _____
Dated _____

LIGHTNING RAINGUTTERS

EXHIBIT "F"
TO THE FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

LIST OF FRANCHISEES

There are no LIGHTNING RAINGUTTERS franchises presently

LIGHTNING RAINGUTTERS

EXHIBIT "G"
TO THE FRANCHISE DISCLOSURE DOCUMENT

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SECTION	POLICY	POLICY NUMBER
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LIGHTNING RAINGUTTERS

EXHIBIT "H"
TO THE FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE DISCLOSURE DOCUMENT RECEIPTS

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 Rich Franchising Company LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant

New York law requires that Rich Franchising Company LLC provides this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship Michigan law requires that Rich Franchising Company LLC provides this franchise Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first

If Rich Franchising Company LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and appropriate state agency listed in Exhibit "C" Rich Franchising Company LLC's registered agents authorized to receive service of process are listed in Exhibit "C"

The name, principal business address and telephone number of each franchise seller offering the franchise is	
Rodney Rich	
Amy Rich	
The principal business address and telephone number for the individuals listed above is Rich Franchising Company LLC, 549 North Rector Way, Fresno, California 93737, (559) 270-9557	

Date of issuance ~~January 14~~April 16, 2019

I received a disclosure document dated ~~January 14~~April 16, 2019, that included the following Exhibits

A	FRANCHISE AGREEMENT
B	FINANCIAL STATEMENTS
C	LIST OF STATE AGENCIES AND LIST OF STATE AGENTS FOR SERVICE OF PROCESS
D	COPY OF CURRENT FORM OF GENERAL RELEASE
E	STATE ADDENDA
F	LIST OF FRANCHISEES
G	RECEIPTS

DATE DISCLOSURE DOCUMENT RECEIVED _____

Signed _____

Date Signed _____

Print Name and Address _____

_____

Please sign and date this Receipt (with the date you received the Franchise Disclosure Document) and if you received it electronically via email, also Open the attached Franchise Disclosure Document to verify that you can download it, then immediately Reply to All, with a cc to the email address listed on the cover page of this Franchise Disclosure Document, stating that you received and downloaded this Franchise Disclosure Document

Also, print, sign and date a copy of this Receipt (with the date you received this Franchise Disclosure Document), and return the signed Receipt by mail to us at Rich Franchising Company LLC, 549 North Rector Way, Fresno, California 93737

PROSPECTIVE FRANCHISEE'S COPY

RECEIPT

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Amy Rich	
The principal business address and telephone number for the individuals listed above is Rich Franchising Company LLC, 549 North Rector Way, Fresno, California 93737, (559) 270-9557	

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H	RECEIPTS

DATE DISCLOSURE DOCUMENT RECEIVED _____
Signed _____
Date Signed _____
Print Name and Address _____

_____

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Also, print, sign and date a copy of this Receipt (with the date you received this Franchise Disclosure Document), and return the signed Receipt by mail to us at Rich Franchising Company LLC, 549 North Rector Way, Fresno, California 93737

FRANCHISOR'S COPY