FRANCHISE DISCLOSURE DOCUMENT

HFB RoofCo Franchising, LLC
a North Carolina limited liability company
107 Parr Drive
Huntersville, North Carolina 28078
Phone: (980) 441-1121
Email: development@roofscientist.com
Website: www.roofscientist.com

We offer qualified individuals and entities the right to operate a roofing solutions company specializing in repairing, restoring, and replacing residential and commercial roofs, including sales and installation of our proprietary roof coatings that enhance the protection of a roof. Current applications can service both residential or commercial roofs including metal, shingle and tile. Franchisees will operate the franchised business under our then-current proprietary mark, which is currently "ROOF SCIENTIST™" (the "Franchised Business(es)").

The total investment necessary to begin operation of a Franchised Business is between $219,921 and $391,393. This includes between $64,900 and $78,900 that must be paid to Franchisor or its affiliate(s).

We also offer qualified parties the right to enter into multiple franchise agreements simultaneously. A multi-unit addendum must be signed to operate multiple Franchised Businesses. The total investment necessary to operate 2 to 5 Franchised Businesses is between $259,921 and $582,393. This includes between $104,900 and $269,900 that must be paid to the franchisor or its affiliate(s). The amount paid to us or our affiliates includes the Initial Franchise Fee (including additional qualified households) and the Opening Assistance Fee.

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

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact HFB RoofCo Franchising, LLC at 107 Parr Drive, Huntersville, North Carolina 28078 or call (980) 441-1121.

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

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

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

Issuance Date: April 25, 2025

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about sales, costs, profits, or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit L.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit J includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Roof Scientist in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Roof Scientist franchisee?	Item 20 or Exhibit L lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in his disclosure document to better understand this franchise opportunity. See the table of contents.

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What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

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Special Risks to Consider About *This* Franchise

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

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

2. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

3. **Short Operating History**. This Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

4. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

5. **Unregistered Trademark**. The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.

6. **Mandatory Minimum Payments**. You must make minimum monthly royalty fee or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

7. **Supplier Control**.You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

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NOTICE REQUIRED BY
STATE OF MICHIGAN

(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

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

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

B. A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this Act. This does not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

C. A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause includes the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

D. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

E. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

F. A provision requiring that arbitration or litigation be conducted outside this state. This does not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

G. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause includes, but is not limited to:

i. The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

ii. The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.

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iii. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

iv. The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

H. A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

I. A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

J. If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor will, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, certification, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, MI 48909
(517) 335-7567

Note: Despite paragraph F above, we intend, and we and you agree, to enforce fully the arbitration provisions of our Franchise Agreement. We believe that paragraph F is unconstitutional and cannot preclude us from enforcing these arbitration provisions.

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

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

The Franchisor is referred to in this Franchise Disclosure Document as "we," "us" or "our." "You" or "your" means the person who buys the franchise and includes your owners and principals if you are a corporation, limited liability company, or other business entity.

The Franchisor

HFB RoofCo Franchising, LLC (the Franchisor) is a limited liability company organized under the laws of the State of North Carolina formed on March 26, 2024. Our principal business address is 107 Parr Drive, Huntersville, North Carolina 28078. We conduct business under our company name and our then-current proprietary marks ("Proprietary Mark(s)"), which currently includes our primary mark: ROOF SCIENTIST™. Our agents for service of process are listed in Exhibit A to this Disclosure Document.

We offer qualified individuals and entities (based on level of business acumen and financial strength) the right to operate a roofing solutions company specializing in repairing, restoring, and replacing residential and commercial roofs, including sales and installation of our proprietary roof coatings that enhance the protection of a roof (collectively, the "Approved Services"). Current applications can serve both residential or commercial roofs including metal, shingle, and tile. You must also offer and sell our proprietary roof coatings and other products to your customers (the "Approved Products") associated with the Approved Services, as we designate them.

We have offered Franchised Businesses since December 2024. We do not operate any Roof Scientist franchised businesses. However, one of our minority owners operates a business of the type offered in this disclosure document and has done so since August 2022 under the name Innovative Roof Solutions. This business is referred to as an "Affiliate Owned Location" for purposes of Item 19 of this disclosure document and is listed in Item 20 as a company owned outlet, although as of the date of this Disclosure Document it was still operating under the name Innovative Roof Solutions. Other than the above-mentioned services, we do not engage in any other business activities and have not offered franchises in any other line of business.

The Franchised Business

Your Franchised Business will operate a roofing solutions company specializing in repairing, restoring, and replacing residential and commercial roofs, including sales and installation of our proprietary roof coatings that enhance the protection of a roof and you will offer and sell our proprietary roof coatings and other products to your customers and any additional Approved Products and Approved Services, as we designate them, within a designated territory (the "Designated Territory"). You do not need any specific prior experience in order to operate a Franchised Business.

Each Franchised Business operates according to our proprietary business system which includes our valuable know-how, information, trade secrets, methods, operations manual, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential communications, methods of Internet usage, marketing programs, and research and development (collectively, the "System"). We reserve the right to add, modify or change the System, Approved Products and Approved Services at any time.

Upon opening, you may operate the Franchised Business from a home office and/or storage facility that is approved by us and otherwise meets our standards and specifications with our approval (the "Approved Location"). The Approved Location must include an office and storage space for equipment

and inventory. The Approved Location must typically include between 30 and 60 square feet of office space, 100 to 200 square feet of storage space (which must have electric and water service), and must provide parking for a truck and trailer. Starting in month 13 and after we recommend and may require that the Approved Location be expanded to a total of 1,500 square feet.

We identify the System by means of certain trade names, service marks, trademarks, logos, emblems, distinctive trade dress, and indicia of origin, including, but not limited to, the mark ROOF SCIENTIST™ and such other trade names, trademarks, and service marks as we now designate or may in the future designate in writing for use in connection with the System. We continue to develop, use and control the use of the Proprietary Marks in order to identify the source of services marketed under the Proprietary Marks and System to the public, and to represent the System's high standards of quality, appearance and service.

You must enter into our current form of franchise agreement (each, a "Franchise Agreement"), which is attached to this Franchise Disclosure Document as Exhibit B, for each Franchised Business we grant you the right to open and operate.

Multi-Unit Offering

We also offer qualified parties (based on level of business acumen and financial strength) the right to enter into a Multi-Unit Addendum, attached to this Franchise Disclosure Document as Exhibit F ("Multi-Unit Addendum") which amends the standard franchise agreement. Subject to the terms of the Multi-Unit Addendum, you will be granted the right to execute up to 5 Franchise Agreements to open and operate up to 5 Franchised Businesses at once, each with their own Designated Territory that are typically contiguous to one another ("Multi-Unit Offering"). All agreements must be executed as part of the same transaction at the same time and on the same form of Franchise Agreement. Each Franchised Business will be opened and operated under its respective Franchise Agreement.

You will also need to comply with the terms and conditions set forth in our form of Multi-Unit Addendum, including, but not limited to, minimum monthly royalty fees, and requirements for the vehicles, equipment and tools (which will apply to your operation of all Franchised Businesses granted as part of your Multi-Unit Offering). As part of the Multi-Unit Offering, you will be required to open at least 1 Approved Location, which may serve as a central Approved Location for all contiguous Designated Territories. You will still be required to commence soliciting customers, marketing and providing the Approved Products and Approved Services, in each of the Designated Territories that are granted under the multiple Franchise Agreements you have entered into.

You will be required to sign all Franchise Agreements associated with your Multi-Unit Offering, as well as your Multi-Unit Addendum, at the same time. As of December 23, 2024, we do not intend or expect to offer a new prospect the right to participate in a Multi-Unit offering for more than 5 Franchised Businesses (but we reserve the right to do so). The disclosures in this Franchise Disclosure Document, however, assume that the Multi-Unit Offering will involve the purchase of up to 5 Franchised Businesses.

Parents, Predecessors and Affiliates

Franchisor will become a subsidiary of HFB Franchisor Holdings, LLC, in a consolidation transaction scheduled to close in May 2025. HFB Franchisor Holdings, LLC, a Delaware limited liability company with a business address at 107 Parr Drive, Huntersville, North Carolina 28078 formed on April 23, 2025. HFB Franchisor Holdings, LLC will be the parent and own 100% of Franchisor. HFB Franchisor Holdings, LLC does not, and has not, offered or sold franchises in any line of business.

HFB Enterprise Holdings, LLC, will be the parent and own 100% of HFB Franchisor Holdings, LLC, a Delaware limited liability company with a business address at 107 Parr Drive, Huntersville, North Carolina 28078 formed on April 23, 2025. HFB Enterprise Holdings, LLC does not, and has not, offered or sold franchises in any line of business.

Our predecessor, Innovative Roof Solutions, LLC ("IRS"), was formed on July 28, 2022, and offered franchises under the name "Innovative Roof Solutions" from September 2022 until May 31, 2024, when we acquired substantially all of the assets of IRS. IRS' principal business address was 740 Pilgrim Parkway, Suite 206, Elm Grove, Wisconsin 53122. IRS entered into 3 franchise agreements. IRS did not operate a business similar to the franchised business, but an affiliate of IRS which is owned by one of our minority owners has operated a business similar to the franchised business since August 2022.

Our affiliate, DDL Investments, Inc. (d/b/a Homefront Brands or "HFB"), is a North Carolina corporation with a business address at 107 Parr Drive, Huntersville, North Carolina 28078. DDL Investments, Inc. provides certain shared services including legal, finance, marketing, and other administrative services to us but does not provide products or services to our franchisees. DDL Investments, Inc. does not, and has not, offered or sold franchises in any line of business.

Our affiliate, HFB HoldCo, LLC is a North Carolina limited liability company with a with a business address at 107 Parr Drive, Huntersville, North Carolina 28078. HFB HoldCo, LLC is a contracting entity with certain vendors that are approved vendors used by one or more of the affiliate franchisors listed below and their respective franchisees. In some instances, HFB Holdco, LLC may purchase products and/or services and resell them to franchisees. HFB Holdco, LLC does not, and has not, offered or sold franchises in any line of business.

Our affiliate, A1 Kitchen & Bath Franchising, LLC ("The Designery"), is a North Carolina limited liability company with a business address at 107 Parr Drive, Huntersville, North Carolina 28078. A1 Kitchen & Bath Franchising, LLC franchises businesses under the mark "THE DESIGNERY℠" that provide home improvement and new construction products, as well as design, installation and demolition services for kitchen and bath projects. The Designery began offering franchises on May 15, 2021. As of December 31, 2024, there were 73 The Designery franchises operating in the United States, and 26 The Designery franchises sold, but not yet operating in the United States.

Our affiliate, LP Franchising, LLC, a North Carolina limited liability company with a business address at 107 Parr Drive, Huntersville, North Carolina 28078 franchises businesses under the mark "WINDOW HERO®" that provide window cleaning, pressure washing, house washing, gutter cleaning, gutter guard installation, window film installation, deck cleaning, and other services. LP Franchising, LLC began offering franchises on April 29, 2022, and its predecessor Labor Panes Franchising, Inc. began offering franchises under our proprietary mark "Labor Panes" in January 2013 in the United States. As of December 31, 2024, there were 62 Window Hero franchises operating in the United States, and 9 Window Hero franchises sold, but not yet operating in the United States.

Our affiliate, Temp Walls Franchise Management, LLC, a North Carolina limited liability company with a business address at 107 Parr Drive, Huntersville, North Carolina 28078 franchises businesses under the mark "TEMPORARY WALL SYSTEMS®" that provide rental, installation and servicing of modular containment systems inside existing commercial buildings. Temp Walls Franchise Management, LLC began offering franchises on May 1, 2022. As of December 31, 2024, there were 261 TWS Temporary Wall Systems franchises operating in the United States, and 16 TWS Temporary Wall Systems franchises sold, but not yet operating in the United States.

Our affiliate, HFB FenceCo Franchising, LLC, a North Carolina limited liability company with a business address at 107 Parr Drive, Huntersville, North Carolina 28028 franchises businesses under the mark "TOP RAIL®" that sell, furnish, and install wood, steel, aluminum, vinyl and other types of fencing and related garden products for residential and commercial customers. HFB FenceCo Franchising, LLC began offering franchises on October 26, 2022. As of December 31, 2024, there were 167 Top Rail franchises operating in the United States, and 14 Top Rail franchises sold, but not yet operating in the United States.

HFB IP HoldCo, LLC is a Delaware limited liability company with a business address at 107 Parr Drive, Huntersville, North Carolina 28028 formed on April 23, 2025. HFB Franchisor Holdings, LLC will be the parent and own 100% of HFB IP HoldCo, LLC as part of a consolidation transaction scheduled to close in May 2025. HFB IP HoldCo will be assigned and thereafter own all of the trademarks and certain other intellectual property of HFB Franchisor HoldCo, LLC and its subsidiaries. HFB IP HoldCo, LLC will license the right to use trademarks and other intellectual property to HFB Franchisor HoldCo, LLC's subsidiaries, including Franchisor. HFB IP HoldCo, LLC does not, and has not, offered or sold franchises in any line of business.

Our affiliate National Account Services Company, LLC is a North Carolina limited liability company with a business address at 107 Parr Drive, Huntersville, North Carolina 28028. National Account Services Company, LLC provides national account marketing and support services for affiliated franchisor companies. The support services provided to affiliate franchisor companies include interaction with and support services to franchisees to coordinate lead flows and compliance with National Account service level requirements required of service providers for those accounts. National Account Services Company, LLC does not, and has not, offered or sold franchises in any line of business.

Our affiliate Bold Future Payment Services, LLC is a North Carolina limited liability company with a business address at 107 Parr Drive, Huntersville, North Carolina 28028. Bold Future Payment Services, LLC provides payment card processing services to franchisees of affiliate franchisors. Bold Future Payment Services, LLC does not, and has not, offered or sold franchises in any line of business.

Except as stated above, we do not have any parents, predecessors or affiliates that: (a) offer or operate franchises in any line of business; or (b) are otherwise involved in any other business activity.

Market and Competition

Your Franchised Business will offer our Approved Services and Approved Products, as implemented and designated, to the general public, which will include residential and commercial properties. The market for roofing services, generally, is well-developed and fragmented. The market for the Approved Products and Approved Services is developing and you will face competition from other national and regional chains and local businesses that offer the same, similar or substitute products or services within the Designated Territory you are granted. The Approved Products and Approved Services are offered year-round, but the market for the Approved Products and Approved Services may be affected by climate, weather, or other environmental conditions.

Industry Specific Regulations

Your Franchised Business will be subject to laws and regulations in your state, county or municipality regarding the operation of an establishment that offers and sells products and services which are the same or similar to our Approved Products and/or Approved Services. The Franchised Business will be subject to federal, state and local regulations, and you must strictly comply with such regulations. There

are specific regulations pertaining to this industry and you must comply with all local, state and federal codes and regulations and all Occupational Safety and Health Administration (OSHA) and other safety regulations pertaining to the Franchised Business and all Environmental Protection Agency ("EPA") and other environmental regulations pertaining to the Franchised Business.

Some states and municipalities may have strict licensing or permitting requirements which may delay your ability to open your Franchised Business. You may be required to obtain a contractor's license and meet certain standards related to operating under that license (for example, insurance and bonding requirements). You may also be required, for example, to obtain specific education, training, apprenticeship, licensing, and/or certifications, and comply with certain workplace requirements and/or environmental requirements, related to the operation of your Franchised Business in the Designated Territory or the offer and sale of our Approved Products and/or Approved Services therein.

ITEM 2
BUSINESS EXPERIENCE

President of HFB RoofCo Franchising, LLC: Michael Wagner

Mr. Wagner has been Franchisor's President in Huntersville, North Carolina since October 2024. From January 2016 to May 2024, Mr. Wagner served as President of Pool Scouts for Buzz Franchise Brands in Virginia Beach, Virginia.

Director of Operations: Tanner Hamby

Mr. Hamby has been Franchisor's Director of Operations since December 2024. Mr. Hamby was Director of Operations with Mighty Dog Roofing and Stand Strong Fencing from September 2020 to December 2024. Prior to that Mr. Hamby ran sales and operations for Citywide Construction in Omaha, Nebraska for 4 years beginning April 2016 through September 2020.

Brand Marketing Director: John Blair

Mr. Blair has been Franchisor's Brand Marketing Director since December, 2024. Prior to joining Roof Scientist, he was Vice President of Operations of Shine Franchise Group from March, 2020 – December, 2024. From March, 2018 – March, 2020, Mr. Blair served as Chief Brand Officer for United Way based in Louisville, Kentucky.

Chief Executive Officer: Jeffrey Dudan

Mr. Dudan has served as Franchisor's Chief Executive Officer in Huntersville, North Carolina since our inception. Mr. Dudan has also held the following positions: (i) Chief Executive Officer of Homefront Brands in Huntersville, North Carolina since March 2022; (ii) Chief Development Officer of Mowbot, Inc. in Huntersville, North Carolina from August 2017 to April 2021; and (iii) Host of the "On the Homefront" podcast for The Will to Win Media Group, LLC from April 2023 to Present.

Chief Operating Officer and President of Franchising: Michael O'Driscoll

Mr. O'Driscoll has served as Franchisor's Chief Operating Officer and the Chief Operating Officer of Homefront Brands in Huntersville, North Carolina since March 2022. Mr. O'Driscoll has also served as our President of Franchising since April 2023. Mr. O'Driscoll has also held the following positions: (i) Global Business Strategist of EMF Advisory, Inc. in New York, New York since April 2021; (ii) Non-

Executive Director & Advisor in Brisbane, Australia from March 2019 to April 2021; and (iii) Non-Executive Board Director of Gutter-Vac Pty Ltd Australia from March 2019 to August 2020.

Chief Financial Officer: Michael Dudan

Mr. Dudan has served as Franchisor's Chief Financial Officer and the Chief Financial Officer of Homefront Brands in Huntersville, North Carolina since March 2022. Mr. Dudan has also held the following positions: (i) Advisor to RockBox Fitness Franchising in Huntersville, North Carolina from March 2019 to March 2022.

Chief Development Officer: Thomas Ryan, Jr.

Mr. Ryan will serve as Franchisor's Chief Development Officer and the Chief Development Officer of Homefront Brands in Huntersville, North Carolina beginning May 2025. Mr. Ryan has also held the following positions: (i) Vice President of Franchise Development for Franchise Fast Lane from November 2022 to May 2025; (ii) Director of Franchise Development for Franchise Fast Lane from March 2022 to November 2022; (iii) Vice President of Land Acquisition for One TenTen Homes from February 2021 to march 2022; and (iv) Director of Franchise Development for Regis Corporation from October 2017 to February 2021.

Chief Growth Officer: Zack Dudan

Mr. Dudan has served as Franchisor's Chief Growth Officer in Huntersville, North Carolina since January 2023. Mr. Dudan served as Franchisor's and director and interim Chief Development Officer and the director and interim Chief Development Officer for of Homefront Brands in Huntersville, North Carolina since January 2023. Mr. Dudan has also served as Chief Growth Officer of Homefront Brands since January 2018.

Chief Legal Officer: John Haraldson

Mr. Haraldson has served as Franchisor's Chief Legal Officer and the Chief Legal Officer of Homefront Brands in Huntersville, North Carolina since November 2022 except for July 2024 to November 2024 when Mr. Haraldson was Director and Associate General Counsel for Servpro in Gallatin, TN. Mr. Haraldson also held the position of General Counsel of Lynx Franchising (now Empower Brands) and its affiliates in Alpharetta, Georgia, including the following brands: JAN-PRO, The Intelligent Office, FRSTeam, Archadeck, Conserva, Outdoor Lighting Perspectives, and Superior Fence & Rail from November 2019 to September 2022.

Jeff Dudan and Michael Dudan are brothers and Zack Dudan is Jeff Dudan's son.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Franchise Agreement

Initial Franchise Fee

The initial franchise fee you must pay to us is $59,900 (the "Initial Franchise Fee"), which is a fee for a territory of up to 80,000 owner-occupied households ("Qualified Households") and is due upon execution of the Franchise Agreement in a lump sum. If your territory has more than 80,000 Qualified Households, your Initial Franchise Fee will increase from the baseline amount of $59,900 by $0.70 for each additional Qualified Household, up to an additional 20,000 Qualified Households pending our approval (maximum of $73,900). The Initial Franchise Fee is deemed fully earned and non-refundable upon payment. Because we started operating in 2024, we did not receive any Initial Franchise Fees in 2023. We may in the future offer discounts or incentives for a limited time and for specific circumstances that lower the minimum Initial Franchise Fee based on territory size, location and whether the territory is sold to an existing franchisee.

Opening Assistance Fee

The opening assistance fee you must pay to us is $5,000 (the "Opening Assistance Fee"), which is a fee for opening assistance services that include: the cost of attending the initial training program, access to the learning management paths, and certain meals during the Initial Training Program, any on-site visits that the operational and support team will make, the initial cost of marketing setup, which includes, but is not limited to, the initial creation of collateral, website, and other marketing setup items (but excludes the ongoing cost that may be paid to us, vendors, or affiliates of additional collateral and other marketing channels), the initial cost of setup with miscellaneous software and technology utilized through the life of the business but does not cover the ongoing cost of software and technology that you may use in your business, and our administrative cost of assisting with of initial legal and compliance guidance that we may provide in our sole discretion. This fee is a single fee for one Franchise Agreement or multiple franchise agreements under a single Multi-Unit Addendum. Each Multi-Unit Addendum will have a separate Opening Assistance Fee. The Opening Assistance Fee is deemed fully earned and non-refundable upon payment.

Multi-Unit Offering

Multi-Unit Fee

If we grant you the right to participate in our Multi-Unit Offering, then you must pay us a multi-unit fee based on the number of Franchised Businesses we grant you the right to develop. Our multi-unit fee is set forth below ("Multi-Unit Fee"):

Number Of Franchised Businesses	Multi-Unit Fee	Maximum Additional Qualified Household Fee	Opening Assistance Fee (assumes one Multi-Unit Addendum)	Total (Multi-Unit Fee + Opening Assistance Fee + Additional Qualified Households)
1	$59,900	$14,000	$5,000	$64,900 – $78,900
2	$99,900	$28,000	$5,000	$104,900 - $132,900
3	$134,900	$42,000	$5,000	$139,900 - $181,900
4	$169,900	$56,000	$5,000	$174,900 - $230,900
5	$194,900	$70,000	$5,000	$199,900 - $269,900

The Multi-Unit Offering is open to franchisees that have at least 50% common ownership with an existing franchisee (or a franchisee signed at the same time) and this discount applies to future purchases and purchases of affiliated brands. If we grant you the right to develop more than 5 Franchised Businesses, then you must pay us a Multi-Unit Fee equal to: (i) $194,900 for the first 5 Franchised Businesses, plus (ii) $20,000 for each additional Franchised Business you are granted the right to develop. In addition, if any territory in a Multi-Unit Offering has more than 80,000 Qualified Households, the Initial Franchise Fee allocated to that territory will increase from the applicable baseline amount ($59,900 for unit 1 and the incremental amount for additional units) by $0.70 for each additional Qualified Household, up to an additional 20,000 Qualified Households. The Multi-Unit Fee must be paid upon execution of the Multi-Unit Addendum and is deemed fully earned and non-refundable upon payment. We may in the future offer additional discounts or incentives for a limited time and for specific circumstances that lower the minimum Initial Franchise Fee based on territory size, location and whether the territory is sold to an existing franchisee.

Discount Programs

Veteran Discount

If you are a United States honorably discharged veteran who meets our qualifications for purchasing a Franchised Business, you will receive a discount of $5,000 off the Initial Franchise Fee for your first Franchised Business. Additional Franchised Businesses under a Multi-Unit Addendum will incur the Multi-Unit Fees set forth in the table above. You may use the Veteran's discount only once and only in accordance with the restrictions set forth in this Item 5. To qualify, a prospective franchisee must: (i) request the Roof Scientist Veteran's discount at the time of application; (ii) meet our then-current qualifications for new franchisees; (iii) be at least 51% legally and beneficially owned by persons meeting our qualifying veteran status; and (iv) not have previously received a Veterans incentive from us. You may meet our qualifying veteran status if you are a veteran who has received an honorable discharge from the U.S. Military, and you must give us a copy of your Form DD 214 showing your status as an honorably discharged veteran. We may discontinue the Veteran's discount program at any time.

Elevate to Owner Program Discount

Under our "Elevate to Owner Program," we offer a discounted Initial Franchise Fee for your first Franchised Business to qualified employees of our franchisees who: (i) have been recommended by a System franchisee; (ii) have been employed by a System franchisee for at least 2 years; and (iii) otherwise qualify to be our franchisee. The discount is based upon years of service with one of our franchisees and is calculated as follows:

Discount On Initial Franchise Fee	Years Of Consecutive Employment With Franchisee
10%	2
15%	3
20%	4
25%	5+

Discounts under our Elevate to Owner Program will be applied to the Initial Franchise Fee for your first Franchised Business only, and the discount shall be calculated after any third-party broker fees are deducted, if any. Additional Franchised Businesses under a Multi-Unit Addendum will incur the Multi-Unit Fees set forth in the table above. You may use the Elevate to Owner Program discount only once and only in accordance with our standards and specifications.

Roll-In Discount for Existing Businesses

If you have an existing business that is the same or similar to a Franchised Business with annual gross revenue of at least $500,000 and you agree to convert the existing business into a Franchised Business, we will discount your royalty fee during your first year of operation. Your Royalty Fee during the first year of operation will be as follows:

Months of Operations	Royalty Fee
Months 1 - 6	0% of then-current Royalty Fee
Months 7 - 12	50% of then-current Royalty Fee
Months 13+	The then-current Royalty Fee

You may not combine any of the discounts set forth above with any other discount. If you have received a discount for your first purchase of a Franchised Business or multiple Franchised Businesses under a Multi-Unit Addendum, you will not qualify for any of these discounts on subsequent purchases of Franchised Businesses unless we agree in writing. You must provide us with reasonable documentation that we request in order to assess your eligibility for a given discount program and any questions regarding your eligibility for discounts, or for combination of any discounts, will be resolved by us in our sole discretion.

Initial Training Fee for Replacement or Additional Trainees

We will provide the Initial Training Program for the first three trainees at no charge. We reserve the right to charge a training fee of $500, which we may increase upon 60 days' written notice to you, for the following training that occurs prior to opening the business: (i) each person in excess of three trainees, even if they attend the same training session; (ii) each person who is repeating the course or replacing a person who did not pass; and (iii) each subsequent operating principal, designated manager or employee who attends the course at a scheduled training class at our headquarters or other location designated by us. You are responsible for any travel and living expenses, wages, and other expenses incurred by your trainees during the Initial Training Program or any other training program.

ITEM 6
OTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Royalty Fee[2]	The greater of: (i) a blended 7% - 5% of your Gross Revenue; or (ii) the Minimum Monthly Royalty Fee each month (collectively, the "Royalty Fee"). We may introduce new Approved Products or new Approved Services with a royalty rate that is different than the Royalty Fee for existing Approved Products and Approved Services. In that event, the Royalty Fee on Gross Revenue related to the new Approved Product or Approved Service may be higher or lower than the Royalty Fee for existing Approved Products and Approved Services. The different Royalty Fee on Gross Revenue related to a new Approved Product or new Approved Service will not be increased by more than 3% of Gross Revenue above the 7% to 5% Royalty Fee (and this maximum 3% increase may be allocated between the Royalty Fee and the Brand Fund Contribution – for example 2% to increased Royalty Fee and 1% to increased Brand Fund Contribution but in no event can the increase in the Royalty Fee increase plus the Brand Fund Contribution increase be more than 3%). The Royalty Fee is discussed in greater detail in Note 2 below this Item 6 Table.	The Royalty Fee is currently due monthly within 10 business days after the end of each calendar month.	Your first Royalty Fee payment is due in the first full month after the date the Franchised Business opens and shall be paid based on all Gross Revenue accrued prior to the opening date and during your first full or partial month of operations.

Type of Fee[1]	Amount	Due Date	Remarks
Brand Fund Contribution[2]	Currently, 2% of your Gross Revenue ("Brand Fund Contribution"). We reserve the right to increase your Brand Fund Contribution to 3% of your Gross Revenue. We may introduce new Approved Products or new Approved Services with a Brand Fund Contribution that is different than Brand Fund Fee for existing Approved Products and Approved Services. In that event, the Brand Fund Contribution on Gross Revenue related to the new Approved Product or Approved Service may be higher or lower than the Brand Fund Contribution on Gross Revenue related to existing Approved Products and existing Approved Services. The different Royalty Fee on Gross Revenue related to a new Approved Product or new Approved Service will not be increased by more than 3% of Gross Revenue above the then current Brand Fund Contribution (and this maximum 3% increase may be allocated between the Royalty Fee and the Brand Fund Contribution – for example 2% to increased Royalty Fee and 1% to increased Brand Fund Contribution but in no event can the increase in the Royalty Fee increase plus the Brand Fund Contribution increase be more than 3%).	Same as Royalty Fee.	This contribution will be used for a system-wide "Brand Fund" for our use in promoting and building the Roof Scientist brand.
Local Advertising Requirement[3]	Currently, the minimum required spend is the greater of: (i) 3% of Gross Revenue; or (ii) $36,000 annually (the	Payable by the end of each month/year, as incurred.	If you fail to meet your Local Advertising Requirement in any month, we may require you to pay us the shortfall as an additional advertising fee

Type of Fee[1]	Amount	Due Date	Remarks
	"Local Advertising Requirement"). The annual minimum Local Advertising Requirement of $36,000 is based on a monthly spend requirement of $3,000, but may, with Franchisor's written permission, vary monthly to account for seasonality and other relevant factors. Franchisor can require a minimum monthly Local Advertising Requirement spend of $3,000 per month even if the annual minimum dollar target has been met for the year. We may increase the Local Advertising Requirement up to a maximum of 4% of Gross Revenue per month upon 90 days' prior written notice to you.		or to pay us the shortfall for us to spend on local advertising in your Designated Territory. Provided, however, that where a group of Designated Territories are under a single Multi-Unit Addendum, Local Advertising Requirement is the greater of: (i) 3% of Gross Revenue; or (ii) $36,000 annually for the first Designated Territory plus up to an additional $24,000 annually for each additional Designated Territory under that one Multi-Unit Addendum. If you have more than one Multi-Unit Addendum, you will pay for each group under a Multi-Unit Addendum the greater of: (i) 3% of Gross Revenue; or (ii) $36,000 annually for the first Designated Territory plus up to an additional $24,000 annually for each additional Designated Territory.
Marketing Technology Fee	$1,251/month	Paid monthly as directed by Franchisor to third party Vendors or us.	The Marketing Technology Fee currently includes the following localized marketing support: website hosting, management, development, updating, maintenance, enhancement, brand reputation management, email marketing, social media, promotions and offers, creative support, public relations management, tradeshow support, and paid media support.
Regional Advertising and Promotional Cooperative	If established, determined by the cooperative. The contribution amount is set by the cooperative and may only exceed the Local Advertising Requirement of 4% of Gross Revenue if agreed to by 2/3 of the cooperative. If company-owned Franchised Businesses have controlling voting power (defined as 2/3 of the cooperative votes), then the contribution amount is limited to 2% above the maximum Local Advertising	If established, determined by the cooperative.	We currently do not have a cooperative but reserve the right to require one to be established in the future.

Type of Fee[(1)]	Amount	Due Date	Remarks
	Requirement, unless 2/3 of the cooperative vote, excluding company owned Franchised Business votes, to approve a higher amount.		
Technology Fee	Our then-current technology fee, which is currently $850 per month (the "Technology Fee"). We reserve the right to increase or decrease the Technology Fee at any time upon 30 days' prior written notice to you.	Same as Royalty Fee.	The Technology Fee currently includes fees related to your access to and usage of our reservation system, our intranet, any mobile applications we develop, and the System website. Certain components of the Technology Fee are billed to us based on the number of lead technicians using the component. The base Technology Fee includes up to 5 lead technicians. Additional lead technicians may be added for an additional fee to your Technology Fee for $90 per lead technician, which will be paid directly to the vendor. We may add, delete, or otherwise modify the products and services that are included in the Technology Fee. We do not presently expect the base Technology Fee to increase more than 25% per year, however, there is no cap on the amount the Technology Fee may be increased. We may increase the fee if we add additional services/products based on the amount of those services and/or our costs to provide and administer those services/products. An increase will be based on the following: cost of inflation, cost of underlying products and services, including development costs of software, mobile applications, websites, costs of software, subscriptions, and related services, and any other products or services added to the technology stack provided that the total costs will be no more than our cost plus 15% for administrative and other burdens. The first month will be assessed pro rata from the date on which you begin offering Approved Products and/or Approved Services. Provided, however, that where a group of Designated Territories are under a

Type of Fee[(1)]	Amount	Due Date	Remarks
			single Multi-Unit Addendum, you will be required to pay one Technology Fee for all Designated Territories under that one Multi-Unit Addendum. If you have more than one Multi-Unit Addendum, you will pay one Technology Fee for each such Multi-Unit Addendum.
Call Center Fee	$600 per month, plus $20 to $67 per completed customer appointment.	Same as Royalty Fee, with the $600 per month fee starting in the first month of operation; customer appointment fee will be assessed on all completed customer appointments.	The Call Center Fee will include fees related to your account setup and utilization of a call center for routing customers to your Franchised Business. The customer appointment fee includes call services to set up the appointment, purchase/use of third-party data, and administrative services. The base customer appointment fee may be increased by not more than 25% annually and we may add additional services to the customer appointment fee for which we may charge an additional fee for that service. We reserve the right to require you to use our preferred service provider to receive call center services. The base Call Center Fee may be increased by not more that 25% annually, or we may change the basis upon which we assess the Call Center Fee to a percentage of Franchisee Gross Revenue in an amount not to exceed 4% of Franchisee Gross Revenue.
Bookkeeping Fee	$400 per month	Paid monthly as directed by Franchisor to third party Vendors or us.	The bookkeeping fee includes fees related to your account setup and the monthly and annual preparation and reporting of the profit/loss statements and balance sheet.
Renewal Fee	$5,000 (the "Renewal Fee").	Upon execution of a successor franchise agreement.	Payable if you qualify to renew your Franchise Agreement(s) and choose to enter into a new successor franchise agreement(s). You will be obligated to pay a Renewal Fee for each Franchised Business you wish to renew under the Multi-Unit Addendum. Provided, however, that where a group of territories are under a single Multi-Unit Addendum, the Renewal Fee will be $5,000 for the first Franchise

Type of Fee[(1)]	Amount	Due Date	Remarks
			Agreement and $1,000 for each additional Franchise Agreement renewed at the same time.
Transfer Fee	$10,000 (the "Transfer Fee") plus the cost of additional training where applicable. Transfer Fees are subject to state law.	A non-refundable $3,000 deposit of the Transfer Fee is due with your written notice of proposed transfer and the balance of $7,000 is due upon our approval at closing.	No Transfer Fee is due for transfers upon death or incapacity which occurs prior to the date of transfer.
Optional Remarketing Fee	$2,500 listing fee; a success fee equal to 8% of the gross sales price of the Franchised Business; if brokers are used, they may have a separate fee that ranges from 2% to 10%. These fees are in addition to any applicable Transfer Fees.	The listing fee is due upon signing the resale program agreement. The success fee and broker fees, if any, are due upon sale of the Franchised Business.	The resale marketing program is optional and franchisees may use it or choose to sell their business on their own (or with their business broker), and may only be available in certain states.
Late Fee and Interest	The lesser of: (i) 1½% per month 18% per annum); or (ii) the maximum interest rate allowed by law from the due date of payment. You must also pay us $100 for each week that a payment is paid after the due date which is in addition to the interest above.	When amount owed becomes past due.	Required whenever a payment to us or our affiliate(s) is made after its due date. Interest accrues from the original due date until payment is received in full.
Nonsufficient Funds Fee	The greater of $100 per occurrence, or the highest amount allowed by law.	As incurred.	Payable if any check or EFT payment is not successful due to insufficient funds, stop payment, or any similar event.
Payment Service Fee	Up to 4% of total charge.	As incurred.	If payment is made to us or our affiliate(s) by credit card for any fee required, we may charge a service charge of up to 4% of the total charge

Type of Fee[1]	Amount	Due Date	Remarks
			except where prohibited by applicable law.
Initial Training Fee for Replacement or Additional Trainees	Currently, $0 per trainee for up to 3 trainees who attend a scheduled training class at our headquarters or other location designated by us, provided that all of your trainees are trained during the same training session. Currently, $500 per day (plus our travel and living expenses) for additional on-site training in your Designated Territory. This amount may be modified upon notice by update to the Operations Manual.	Within 14 days of receipt of an invoice. Depending on the circumstances, this fee may be payable before or after the business is opened.	We will provide the Initial Training Program for the first 3 trainees at no charge. We reserve the right to charge a training fee of $500, per day which we may increase upon 60 days' written notice to you, for training: (i) each person in excess of 3 trainees, even if they attend the same training session; (ii) each person who is repeating the course or replacing a person who did not pass; and (iii) each subsequent operating principal, Designated Manager or employee who attends the course at a scheduled training class at our headquarters or other location designated by us. You are responsible for any travel and living expenses, wages, and other expenses incurred by your trainees during the Initial Training Program or any other training program. We may increase the fee no more than 25% each year.
Additional Training Programs	The then-current fee, which is currently $500 per employee or agent for each full or partial day for a scheduled training class at our headquarters or other location designated by us, plus their travel and living expenses, and an additional amount based on the program administered.	Within 14 days of receipt of an invoice.	We may charge you our then-current fee (currently, $500 per day per employee or agent, plus our travel and living expenses) for optional or required training programs or consulting services that we may provide in-person or otherwise. We may change this fee without limitation from time to time upon written notice to you. We may increase this fee no more than 25% each year.
In-Person Consulting Services	The then-current fee, which is currently $500 per employee or agent for each full or partial day, plus their travel and living expenses.	Within 14 days of receipt of an invoice.	Payable if we provide the requested consulting services in person at a location other than our offices. We may change this fee without limitation from time to time upon written notice to you. We may increase the fee no more than 25% each year.
Temporary Designated Manager	The then-current fee, which is currently $500 per employee or agent for each full or partial day, plus their travel and living expenses.	Within 14 days of receipt of an invoice.	Payable if we provide a Designated Manager to work at your Franchised Business after the departure of your previous manager, until a new Designated Manager is hired and

Type of Fee[(1)]	Amount	Due Date	Remarks
			trained. We may increase the fee no more than 25% each year.
Temporary Management	The then-current fee charged by us during the period of management, plus any direct out of pocket costs and expenses. We reserve the right to charge up to 10% of the Gross Revenue generated during the time period that we provide temporary management.	Within 14 days of receipt of an invoice.	Payable in the event of your death.
Annual Conference Fee	We host an annual conference (the "Annual Conference") and charge you the then-current Annual Conference fee. The Annual Conference fee is currently $2,000 for up to 2 people to attend. We may charge our then-current fee for additional attendees (currently, $1,000 per additional attendee and $700 per person for social registration). . We may offer discounts based on early booking, number of room-nights booked, or other factors. We also may offer the opportunity to pay the Annual Conference fee in advance, in periodic installments. We reserve the right to host up to 2 Annual Conferences per year.	Prior to attending the event.	Payable for you and your employee(s) who attend the Annual Conference that we host. You are responsible for the travel and living expenses of you and your employees. If you do not attend the Annual Conference(s), you must still pay us the Annual Conference Fee, regardless of the cause for non-attendance, unless you receive our advance written approval for such absence. This fee is charged on a per franchisee basis. This fee may change upon notice to you annually depending on the anticipated cost of the Annual Conference. We do not expect this fee to exceed $3,000 for up to 2 people to attend (and $1,500 for each additional attendee, and $1,050 per person for social registration.. There is no cap on the amount the Annual Conference fee may be increased; however, the increase will not be more than the total estimated cost plus 20% spread out over the number of franchisees required to attend. An increase will be based on the following: cost of inflation, destination/venue costs, entertainment costs, travel costs, size of event, length of event.
Product, Service, Supplier, and Service Provider Review	A $1,000 alternative supplier fee/new product review fee plus our actual costs of the inspection and our actual cost of testing the proposed product or evaluating the	Upon demand.	Payable if you wish to offer products or use any supplies, equipment, or services that we have not approved or wish to purchase from a supplier or service provider that we have not approved,

Type of Fee[1]	Amount	Due Date	Remarks
	proposed service or service provider, including personnel and travel costs.		whether or not we approve the item, service, product, or service provider.
Insurance	Cost of premium plus a $100 administrative fee for our services in procuring the insurance.	Upon demand.	Payable only if you fail to maintain the minimum insurance we require and we choose to procure the required insurance for you.
Remodel/ Re-equip/ Refurbish Requirement	Actual costs and expenses which are estimated to be no more than $25,000	Upon remodel/ re-equip/ refurbish.	Payable if we require you to remodel, re-equip, and otherwise refurbish your Franchised Business to bring it into conformity with our then-current brand image. This fee may be assessed not more often than every 5 years. A remodel/re-equip/refurbish will not be required in the last 12 months of a term but will be a condition of renewal.
Relocation Fee	Actual costs and expenses of providing relocation assistance, plus a $250 administrative fee.	Upon relocation.	You must reimburse us for our actual costs and expenses associated with evaluating your relocation request and/or any locations proposed by you for relocation, plus a $250 administrative fee. We will provide you with copies of our invoices for our expenses from any third-party providers upon request.
Taxes	Varies.	As Incurred.	You must reimburse us for any taxes that we must pay to any taxing authority for your Franchised Business.
Audit Costs	Our costs and expenses, including costs for an independent accountant and attorneys' fees, any understated amounts, and related travel and living expenses.	Within 14 days of receipt of an invoice.	Payable if an audit or review shows an understatement of Gross Revenue for the audited or reviewed period of 2% or more, or if you fail to submit required reports.
Indemnification	Actual amount of our liabilities, fines, losses, damages, costs and expenses (including attorneys' fees, except to the extent such fees are determined by an arbitrator or court of competent jurisdiction to be unreasonable, in which case the fees shall be adjusted to	Upon demand.	Payable if we incur losses due to your breach of the Franchise Agreement or any other action or inaction by you or any other person relating to your Franchised Business.

Type of Fee[(1)]	Amount	Due Date	Remarks
	be reasonable by such arbitrator or court).		
Reimbursement of Professional Fees and Expenses	Varies.	As Incurred.	You must reimburse us for any legal, accounting, or other professional fees that we incur as a result of any breach or termination of your Franchise Agreement. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement. In some circumstances in some states professional fees and expenses are only recoverable where franchisor is the substantially prevailing party.
Enforcement Expenses	Our actual cost of de-identifying your Franchised Business or complying with other post-term obligations on your behalf.	Upon demand.	Payable if your Franchise Agreement expires or is terminated and you fail to de-identify (or comply with other post-term obligations) for your Franchised Business and we take steps to do so.

Explanatory Notes:

1. General. The table above provides recurring or isolated fees or payments that you must pay to us or our affiliates or that we or our affiliates impose or collect in whole or in part on behalf of a third party or that you are required to spend under the Franchise Agreement. All fees and expenses described in this Item 6 are non-refundable. Franchisees of the Innovative Roof Solutions System do not pay some fees (Technology Fee, Marketing Technology Fee, Call Center Fee, Bookkeeping Fees, or the Annual Conference Fee) or pay different amounts (higher or lower) based on their existing franchise agreements. We occasionally may modify or waive certain fees. Otherwise, except as provided in the above chart, we uniformly impose all fees and expenses listed on a per franchise agreement basis and they are payable to us and are fully earned upon receipt by us.

   We have the right to periodically specify (in the confidential operations manual or otherwise in writing) different payees and/or payment methods, such as, but not limited to, weekly/biweekly/monthly payment, payment by auto-draft, credit card, and payment by check.

   All fees are current as of April 25, 2025.

   Manner of Payment. With the exception of the Initial Franchise Fee, you must pay all fees and other amounts owed to us and/or our affiliates via electronic funds transfer ("EFT") through an electronic funds transfer program (the "EFT Program"), under which we automatically deduct all payments owed to us and/or our affiliates from the bank account you provide to us for use in connection with EFT Program (the "EFT Account").

2. Royalty Fee. You must pay us a monthly Royalty Fee deducted on the 10th business day at the end of each calendar month in an amount equal to the greater of: (i) the Royalty Fee (as delineated in the chart below); or (ii) the minimum monthly Royalty Fee ("Minimum Monthly Royalty Fee") (as

defined in the chart below). We reserve the right to change the interval when you pay the Royalty Fee to us upon notice to you.

Royalty Fee. Your Royalty Fee is calculated as follows:

Monthly Royalty Fee	Gross Revenue for Prior Month
7.0%	$0.00 - $100,000.00
6.0%	$100,000.01 - $300,000.00
5.0%	$300,000.01+

For clarity purposes, if your Gross Revenue for the prior month is $125,000, you will pay 7.0% for the first $100,000 in Gross Revenue generated and 6.0% for the remaining $25,000 in Gross Revenue generated. The graduated Royalty Fee rate applies on a per franchise agreement basis, and multiple territories may not be aggregated together to qualify for a lower Royalty Fee rate. The Royalty Fee for newly Approved Products or Approved Services may be different (either higher or lower) but will not be increased by more than 3% of gross revenue (and this 3% may be allocated between the Royalty Fee and the Brand Fund Contribution).

Minimum Monthly Royalty Fee. Your Minimum Monthly Royalty Fee is based upon: (i) the number of months the Franchised Business has been open and operating; and (ii) the number of Designated Territories that the Franchised Business operates in. The Franchised Business shall be considered open and operating on the day that you complete the Initial Training Program. Your Minimum Monthly Royalty Fee of $300 (if you operate a single Franchised Business in one Designated Territory) begins in month 4 after the date you complete the Initial Training Program. The Minimum Monthly Royalty Fee is calculated as follows:

For each Franchised Business:

- the First 3 months is 7-5% of Gross Revenue
- 4-12 months is an additional $300 per Franchised Business
- Second Year is an additional $1,500 per Franchised Business
- Third Year + is an additional $2,000 per Franchised Business

However, you will not be subject to a Minimum Monthly Royalty Fee during the first 3 months you are open and operating on the condition that you strictly comply with all of your obligations under the Franchise Agreement during the first 3 months you are open and operating. Notwithstanding the foregoing, you must still pay the Royalty Fee equal to 7% - 5% of Gross Revenue generated by your Franchised Business for sales made during the first 3 months you are open and operating.

Roll-In Discount for Existing Businesses

If you have an existing business that is the same or similar to a Franchised Business with annual gross revenue of at least $500,000 and you agree to convert the existing business into a Franchised Business, we will discount your royalty fee during your first year of operation. Your Royalty Fee during the first year of operation will be as follows:

Months of Operations	Royalty Fee
Months 1 - 6	0% of then-current Royalty Fee
Months 7 – 12	50% of then-current Royalty Fee
Months 13+	The then-current Royalty Fee

Gross Revenue Definition and Reports. For purposes of this Agreement, "Gross Revenue" is defined to include all income of any type or nature and from any source that Franchisee derives or receives directly or indirectly from, through, by or on account of the operation of the Franchised Business (whether or not the products/services are approved by the Franchisor) at any time after the signing of the Franchise Agreement, in whatever form and from whatever source, including, but not limited to, cash, services in kind from barter and/or exchange, on credit or otherwise, and convenience, credit card user, or other fees charged to a customer, as well as business interruption insurance proceeds, all without deduction for expenses, including marketing expenses and taxes. Exclusions do not include reductions for financing program fees, credit card convenience fees or user fees, or any other fees charged to a customer) . However, the definition of Gross Revenue does not include sales tax that is collected from customers and actually transmitted to the appropriate taxing authorities or any bona fide refunds you make to customers in the ordinary course of business. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from Gross Revenue as circumstances, business practices, and technology change.

You must send us a signed report ("Gross Revenue Report(s)") on or before the 10th day of each month for the immediately preceding calendar month, in the manner and form specified by us. Each Gross Revenue Report must set forth: (i) your Gross Revenue generated during the previous calendar month; (ii) your calculation of the Royalty Fee and Brand Fund Contribution; and (iii) any other information we may require. In lieu of the Gross Revenue Report, we currently collect Gross Revenue data through our digital platform system but we reserve the right to require a Gross Revenue Report be submitted to us as described above in the future upon notice. We may change the form, content, and/or interval of the Gross Revenue Report from time to time and/or require you to submit Gross Revenue Reports upon not less than 60 days of notice to you.

3. Local Advertising Requirement. We reserve the right to require that all or a portion of the Local Advertising Requirement be paid to us or an Approved Supplier for products or services that we or a third party provide or for use in marketing channels that we require you to use.

ITEM 7
ESTIMATED INITIAL INVESTMENT

A. YOUR ESTIMATED INITIAL INVESTMENT FOR A NEW FRANCHISED BUSINESS

Type of Expenditure[1]	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee[2]	$59,900	$73,900	Lump Sum	Upon execution of the Franchise Agreement	Us
Opening Assistance Fee[3]	$5,000	$5,000	Lump Sum	Upon execution of the Franchise Agreement	Us
Travel Expenses to Training[4]	$1,000	$3,000	As Incurred	As Incurred	Airlines, hotels and restaurants
Security Deposits and Rent[5]	$0	$10,000	As Incurred	As Incurred	Landlord, utility company
Office Furniture[6]	$0	$2,000	As Incurred	As Incurred	Third-party vendors
Vehicle and Vehicle Enhancements[7]	$8,594	$22,356	As Incurred	As Incurred	Third-party vendors, us and other third parties
Tools and Equipment[8]	$20,800	$58,900	As Incurred	As Incurred	Third-party vendors, and other third parties
Business Management and Technology System[9]	$1,000	$5,000	As Incurred	As Incurred	Third-party vendors, us and other third parties
Initial Inventory[10]	$35,223	$52,560	As Incurred	Prior to Opening	Third-party vendors, us and other third parties
Technology Fee (3 Months)[11]	$2,550	$2,550	As Incurred	As Incurred	Third-party vendors, us and other third parties
Marketing Technology Fee [12]	$3,753	$3,753	As Incurred	As Incurred	Us and third-party vendors
Call Center Fee[13]	$1,800	$1,800	As Incurred	As Incurred	Us and third-party vendors

Type of Expenditure[1]	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Bookkeeping Fee[14]	$1,200	$1,200	As incurred	As Incurred	Third-party vendors
Industry Certifications, Licenses, and Trainings[15]	$0	$15,000	As Incurred	Prior to Opening	Third-party vendors, us, government agencies, and other third parties
Professional Fees[16]	$500	$2,500	As Incurred	As Incurred	Attorneys, bankers, accountants and other professionals
Insurance Deposit and Initial Premiums[17]	$6,601	$9,874	As Incurred	Prior to Opening	Insurance agent or carrier
Grand Opening Marketing[18]	$12,000	$22,000	As Incurred	As Incurred	Third-party vendors and other third parties
Additional Funds (3 Months)[19]	$60,000	$100,000	As Incurred	As Incurred	Employees, utilities, suppliers, us and other third parties
TOTAL ESTIMATED INITIAL INVESTMENT	**$219,921**	**$391,393**			

Explanatory Notes:

1. Generally. The chart above assumes that, initially, you operate your Franchised Business from either a home office with a storage space or a combination of a home office and a 10x10 storage unit. All fees and payments described above are non-refundable, unless otherwise stated or permitted by the payee. Neither the Franchisor nor an affiliate finances part of the initial investment.

2. Initial Franchise Fee. Upon execution of your Franchise Agreement, you must pay to us an Initial Franchise Fee of $59,900 which you must pay in a lump sum. If you purchase a territory that includes more than 80,000 Qualified Households, then you will be required to pay us $0.70 for each additional Qualified Household, up to an additional 20,000 Qualified Households. The additional household fee also applies to multi-unit franchise purchases. The Initial Franchise Fee is non-refundable and deemed fully earned upon execution of your Franchise Agreement.

3. Opening Assistance Fee. Simultaneously with execution of your Franchise Agreement and the payment of your Initial Franchise Fee, you must pay us an Opening Assistance Fee in an amount equal to $5,000. The Opening Assistance Fee relates to opening assistance services that include: the cost of attending the initial training program, access to the learning management paths, and certain meals during the Initial Training Program, any on-site visits that the operational and support team will make, the initial cost of marketing setup, which includes, but is not limited to, the initial creation of collateral, website, and other marketing setup items (but excludes the ongoing cost that may be paid to us, vendors, or affiliates of additional collateral and other marketing channels), the initial cost of setup with miscellaneous software and technology utilized through the life of the business but does not cover the ongoing cost of software and technology that you may use in your business, and our administrative cost of assisting with of initial legal and compliance guidance that we may provide in our sole discretion. This fee is a single fee for one Franchise Agreement or multiple franchise agreements under a single Multi-Unit Addendum. Each Multi-Unit Addendum will have a separate Opening Assistance Fee. The Opening Assistance Fee is not refundable.

4. Travel Expenses to Training. We estimate that your travel expenses for initial training will be between $1,000 and $3,000. While we do not charge you and up to 2 additional persons to attend the phases of our Initial Training Program, you are required to pay for transportation to and from our Initial Training Program and pay all expenses associated with lodging, meals and other miscellaneous expenses during the time of training (including any employee wages). The range assumes, on the low end, that no additional people other than you will attend the Initial Training Program, and, on the high end, 2 additional people will attend our Initial Training Program with you. Any amounts that may be collected by the Franchisor/affiliate in the future are amounts payable to third party vendors.

5. Security Deposit and Rent. You will need approximately 30-60 square feet of office space, 100 to 200 square feet of storage space (with electric and water service) and parking sufficient for a truck and trailer. We have assumed that, initially, you will rent a storage unit and have sufficient in-home office space. If you do not have sufficient office space in your home, are not permitted to operate a business from your home or your home office does not meet our specifications, you will need to rent an office/warehouse (between 1,000 and 1,500 square feet) and your costs may be as high as $12,000 for the first three months. The amount of your security deposit will vary depending on your landlord, occupancy rate, length of lease, personal vs. corporate signature, and your personal financial history. The amount of your rent will vary depending on the landlord, the location, square footage, length of the lease, and general market conditions.

6. Office Furniture. In addition to your vehicle, you will have an office even if you are operating from a home office. You are required to establish a functional office with a desk, file cabinet, chairs, miscellaneous office supplies, etc. We estimate that your office equipment, furniture and supplies will cost up to $2,000, depending on what items you already have that are available for use. If you already have sufficient office furniture, your opening expense for these items would be $0.

7. Vehicle and Vehicle Enhancements. You must purchase or lease a ¾ ton truck (with branded signage) and a skid containing our approved soft wash equipment. The estimates in the chart above assume that you will lease the truck and skid. If you decide to purchase, your costs will be higher. vehicle wrap or other branded vehicle signage which displays our then-current marks from our approved supplier and have the vehicle used by you or your technician in operating the Franchised Business branded according to our specifications. We have assumed that you will lease a vehicle. We recommend, and our standard offering assumes, that you do not purchase a vehicle and pay for it in full. If you decide to purchase a truck and skid, the high-end cost could be an additional $60,000 or more.

8. Tools and Equipment. You are required to purchase certain types of equipment, including a 16-foot enclosed, wrapped trailer and other tools for performing Approved Services and also purchasing such work equipment from our approved suppliers, manufacturers, and/or subject to our specifications. We reserve the right for us or our affiliates to become an approved supplier or manufacturer. A list of tools is available upon request.

9. Business Management and Technology System. You must purchase the business management and technology system comprised of the computer hardware and software we designate for use in connection with your Franchised Business ("Business Management and Technology System") prior to commencing operations. You must purchase the components of the Business Management and Technology System from third-parties or Approved Suppliers. The Business Management and Technology System may include, but is not limited to: (i) a business-class laptop computer with performance capabilities sufficient to run all of the software required to operate your Franchised Business; (ii) a laser printer meeting our standards and specifications; (iii) updated versions of QuickBooks, Microsoft Office, and antivirus software; and (iv) a tablet with Internet access and a smartphone. This includes setup fees and licensing fees for the first three months of operation. The Business Management and Technology System includes software and related services that include fees that are paid through the Technology Fee (i.e., our digital platform system, for example). The low end of this estimate assumes that you already have some or all of the required hardware or software. The high end assumes that you will need to purchase all of the components. The estimated amount for this section does not include the Technology Fee, which is set forth separately in the Item 7 table.

10. Initial Inventory. Generally, you must have enough inventory on hand to complete at least 2-3 weeks' worth of jobs. You are required to obtain an initial inventory of materials to meet the demand in your Designated Territory. The low end of this estimate represents the minimum amount of inventory that you are required to purchase while the high end of the estimate represents the largest amount of inventory that we recommend you purchase. Initial inventory consists of between 48 and 72 5-gallon buckets of our proprietary roof coatings.

11. Technology Fee (3 Months). The Technology Fee currently includes fees related to your access to and usage of our reservation system, intranet, any mobile applications we develop, and the System website. We may add, delete, or otherwise modify the products and services that are included in the Technology Fee. There is no cap on the amount the Technology Fee may be increased. The first month will be assessed pro rata from the date on which you begin offering Approved Products and/or Approved Services (typically the date you complete Initial Training Program but could be earlier, which date may or may not be within 3 months of the date you sign a franchise agreement) and collected on the 10th of the following month and paid to us.

12. Marketing Technology Fee. The Marketing Technology Fee currently includes the following localized marketing support: website hosting, management, development, updating, maintenance, enhancement, brand reputation management, email marketing, social media, promotions and offers, creative support, public relations management, tradeshow support, and paid media support. The first month will be assessed for the month you begin offering Approved Products and/or Approved Services (typically the date you complete Initial Training Program but could be earlier, which date may or may not be within 3 months of the date you sign a franchise agreement) and collected on the 10th of the following month and paid to us.

13. Call Center Fee: The base Call Center Fee of $600 starts in the first month of operation. The base Call Center Fee includes fees related to your account setup and utilization of a call center for routing

customers to your Franchised Business. In addition to the base monthly charge of $600, there is a customer appointment fee for each booked appointment made by the Call Center ranging from $20 to $67. The customer appointment fee includes call services to set up the appointment, purchase/use of third-party data, and administrative services.

14. Bookkeeping Fee: The bookkeeping fee includes fees related to your account setup and the monthly and annual preparation and reporting of the profit/loss statements and balance sheet.

15. Industry Certifications, Licenses and Training. You must acquire any third-party certifications required by us. You must acquire a general business license, any specialty licenses required by your state or federal agency. If your jurisdiction has additional licensing laws or other laws or regulations that require additional instruction or supervised inspections or other criteria, such as examinations or peer review, that require individualized effort in order to comply with the laws or regulations and we or our affiliate cannot provide such instruction/services to you, you must retain a third-party licensing compliance service provider to assist you in navigating the required criteria. In some jurisdictions, you are required to apprentice for one or more years in order to get a license to perform services. You may incur costs to pay a person who has such a license in order to perform services. These costs can range from $1,000 to $3,000 per month or may be based on a percentage of each project's cost. In some jurisdictions, industry certifications, licensing, and/or training may not be required, in which case your cost would be $0.

16. Professional Fees. This estimate is based on the fees necessary to create a franchisee entity and retain legal counsel and accountants to do initial corporate filings and set up bookkeeping and bank accounts.

17. Insurance Deposit and Initial Premiums. We estimate that your initial insurance deposit and initial premiums will be approximately $6,601 to $9,874. The estimate above assumes that you will pay 25% of your annual premium up front, with the remainder sue in 9 monthly payments beginning after 30 days. The estimate includes the 25% downpayment and 2 monthly payments. The average annual cost is approximately $14,000-$21,000. You should check with your local agent for actual premium quotes and costs, as well as the actual cost of the deposit. The cost of coverage will vary based upon the area in which your Franchised Business will be located, your experience with the insurance carrier, your loss experience, your level of sales, and other factors beyond our control. In some states the cost could be higher depending on availability, competition and broker coverage. You should also check with your insurance agent or broker regarding any additional insurance that you may want to carry beyond what we require you to obtain.

18. Grand Opening Marketing. In connection with the opening of the Franchised Business, you must spend a minimum of $12,000 for grand opening advertising and promotion in the 30 days prior to opening the Franchised Business and the 60 days after opening the Franchised Business in accordance with a plan that you must submit to us. We have the right to modify your grand opening plan, in our sole discretion, and may require you to use a public relations or other advertising firm to assist with your grand opening. No amount paid by you for your grand opening will be credited toward your Local Advertising Requirement. You must provide us with supporting documentation evidencing these expenditures upon request. If you enter into Multi-Unit Addendum with us, you will only be required to spend $12,000 in total for Grand Opening Advertising for all Franchised Businesses so long as they are located in contiguous Designated Territories. We reserve the right to increase the required spend to $22,000 as we deem necessary.

19. Additional Funds (3 Months). The estimate of additional funds between $60,000 and $100,000 is for a period of at least 3 months, and is based on our experience in offering and selling franchises, as well as estimates we have received from third party vendors, information from existing franchisees for an owner-operated business and does not include any allowance for an owner's draw or salary but does include payroll costs for others. This estimate assumes that you will have 1 to 4 employees consisting of a salesperson and either subcontract service labor or you may hire a crew of 2-3 people. This estimate includes ongoing fees that you will be required to pay throughout your operation of the Franchised Business such as Royalty Fees, local advertising expenses, bookkeeping fees, Call Center booked appointment fees, Brand Fund Contributions, etc.. This estimate does not include any fees paid for debt services. If you are converting your business to a Franchised Business, you may already have equipment, insurance and other items and this amount may be lower.

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B. YOUR ESTIMATED INITIAL INVESTMENT FOR A MULTI-UNIT OFFERING

Type of Expenditure[(1)]	Offering	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
		Low	High			
Multi-Unit Fee[(2)]	2-Pack	$99,900	$127,900	Lump Sum	Upon execution of the Multi-Unit Addendum	Us
	3-Pack	$134,900	$176,900			
	4-Pack	$169,900	$225,900			
	5-Pack	$194,900	$264,900			
Initial Investment to Open Initial Franchised Business[(3)]		$160,021	$317,493	Lump Sum or As Incurred	Upon Execution of Franchise Agreement, Prior to Opening, or As Incurred	Us; Approved Suppliers; Airlines, third-party suppliers; and employees
Total[(4)]	2-Pack	$259,921	$445,393	This is the total estimated initial investment to enter into a Multi-Unit Addendum for the right to develop each of the multi-unit offerings we typically offer under a Multi-Unit Addendum, as well as the costs to open and commence operating your initial Franchised Business for the first 3 months.		
	3-Pack	$294,921	$494,393			
	4-Pack	$329,921	$543,393			
	5-Pack	$354,921	$582,393			

Explanatory Notes:

1. Generally. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. This Chart details the estimated initial investment associated with executing a Multi-Unit Addendum for the right to own and operate between 2 to 5 Franchised Businesses, as well as the initial investment to open your initial Franchised Business.

2. Multi-Unit Fee. You will be required to execute a Franchise Agreement for each of the Franchised Businesses you are granted as part of your Multi-Unit Offering, as well as our prescribed form of Multi-Unit Addendum, all at the same time. Upon the execution of these agreements, you will be required to pay us a Multi-Unit Fee in the amount of $99,900 for the right to operate 2 Franchised Businesses, $134,900 for the right to operate 3 Franchised Businesses, $169,900 for the right to operate 4 Franchised Businesses, and $194,900 for the right to operate 5 Franchised Businesses, which must be paid in a lump-sum at the time you sign the Multi-Unit Addendum. This includes the Multi-Unit Fee if you elect not to increase the number of households within your Designated Territory (Low) and if you increase to the maximum number of additional households (High). It does not include the Opening Assistance Fee, which is included in the Initial Investment to Open Initial Franchised Business. If you wish to increase the number of Qualified Households in your

Designated Territory, then you will be required to pay us an additional $0.70 per Qualified Household up to an additional 20,000 Qualified Households per Designated Territory. The Multi-Unit Fee is deemed fully earned and non-refundable upon payment.

3. Initial Investment to Open Initial Franchised Business. This figure represents the total estimated initial investment required to open the initial Franchised Business under the Multi-Unit Addendum. You will be required to enter into our current form of Franchise Agreement to govern each Franchised Business you are granted the right to operate at the same time you sign your Multi-Unit Addendum. The range includes all the items outlined in Chart 7(A) of this Item, except for the $59,900 Initial Franchise Fee because, upon full payment of the Multi-Unit Fee, you will not be required to pay any Initial Franchise Fee in connection with your Franchised Businesses.

4. Total. Please note that this row does not include the initial investment you will need to undertake in connection with opening your second and any other additional Franchised Businesses you are granted the right to open under your Multi-Unit Addendum. The amounts listed in this Section include the initial investment to open your initial Franchised Business set forth in Note 2 immediately above, as well as the applicable Multi-Unit Fee (which is substituted for the Initial Franchise Fee that would otherwise be due with each franchise agreement). The amounts listed assume that all territories are contiguous. If the territories are not contiguous, then for each additional noncontiguous territory or group of noncontiguous territories, the grand opening marketing fee will increase from a low of $12,000 to a high of $22,000.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Franchised Business in conformance with our methods, standards and specifications which we prescribe in our confidential and proprietary operations manual (the "Operations Manual") and various other confidential manuals, writings, and other information prepared by us for your use in operating a Franchised Business (together with the Operations Manual, the "Manuals"). We may periodically change our standards and specifications at our sole discretion, and you must comply with all changes.

Approved Products and Approved Services

All Approved Products that we may designate, Approved Services, Approved Location/Storage Facility, vehicles, supplies, equipment, tools, uniforms, forms, advertising materials, computer hardware and software, bookkeeping services, and inventory used by you in connection with the Franchised Business must meet our then-current System standards and specifications, including, but not limited to, branding requirements (including color and label requirements), which we will establish and modify at our discretion. You may incur an increased cost to comply with such changes at your own expense.

You must offer for sale all Approved Products and Approved Services that we may later designate, and only those products and services which we prescribe. You may not offer any other products or services for sale without having received our prior written authorization. You must at all times maintain sufficient levels of inventory as specified in the Operations Manual to adequately satisfy consumer demand. You must offer, use and sell all private label products which we may now or in the future designate for sale by System franchisees. Private label products, to the extent required, are included in the Initial Inventory expense set forth in the Item 7 table.

Some suppliers may provide us with test equipment for use in our training center, advertise in our newsletters, and may also sponsor events and/or rent booth space at our Annual Conference or regional meetings.

Approved Suppliers

Recognizing that preservation of the System depends upon product and service uniformity and the maintenance of our trade dress, we approve or designate suppliers (which may be us or an affiliate of ours) from time to time in the Operations Manual and otherwise in writing (each an "Approved Supplier"). You must purchase your initial inventory, Business Management and Technology System, branded items, signage and marketing materials, marketing services (of which we are an Approved Supplier), computer equipment and software, insurance, grand opening marketing, and other ongoing marketing from one of our Approved Suppliers or in accordance with our standards and specifications. We are not currently the only Approved Supplier of any item.

Ownership Interest in a Supplier / Revenue Derived from Regional Franchise Purchases and Leases

Except where we are the approved supplier for items you must purchase, none of our officers own any interest in any supplier with whom you are required or recommended to do business. Franchisor is an approved supplier of marketing services but is not the exclusive approved provider of marketing services.

We may derive income in the form of rebates or marketing allowances paid to us by Approved Suppliers that we require you to use. Because we were not operating in 2024, we received no revenue from Franchisee purchases in 2024.

Your obligations to purchase certain products or services from us or our Approved Suppliers and to purchase products, services, supplies, fixtures, equipment, computer hardware and software, training and real estate that meet our specifications are considered "Required Purchases." We estimate that your Required Purchases will account for approximately 70% to 95% of your total purchases and leases incurred in establishing your Franchised Business, and approximately 70% to 95% of your total ongoing purchases and leases to operate the Franchised Business after the initial start-up phase.

Alternative Product or Supplier Approval

If you wish to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, you must provide us the name, address and telephone number of the proposed supplier, a description of the item you wish to purchase, and the purchase price of the item, if known. At our request, you must provide us, for testing purposes, a sample of the item you wish to purchase. We base our approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency and quality of operation we consider necessary or desirable in our System as a whole, our requirements regarding insurance and indemnification as well as the maintenance of our Confidential Information and the administrative burden of managing multiple additional approved suppliers.

You will be required to pay us a $1,000 alternative supplier fee/new product review fee plus our actual cost of the inspection and our actual cost of testing the proposed product or evaluating the proposed service or service provider, including personnel and travel costs to review any alternate supplier. We may but are not obligated to notify you in writing if your request is approved or denied within 30 days of: (i) our receipt of all supporting information from you regarding your request; and (ii) our completion of any necessary inspection or testing associated with your request. If we do not provide written approval within this time period, then your request will be deemed denied.

The Franchisor's criteria for approving suppliers is not made available to franchisees.

We may reinspect and revoke our approval of particular products or suppliers if we determine that such products or suppliers no longer meet our standards. Once you receive written notice from us that we have revoked our approval, you must immediately cease purchasing products from that supplier.

We do not provide any material benefit to you if you buy from sources we approve.

Approved Location

Upon opening, you may operate the Franchised Business from a home office and/or storage facility that is approved by us and otherwise meets our standards and specifications with our approval (the "Approved Location"). The Approved Location must include an office and storage space for equipment and inventory. The Approved Location must typically include between 30 and 60 square feet of office space, 100 to 200 square feet of storage space (which must have electric and water service), and must provide parking for a truck and trailer. Starting in month 13 and after we recommend and may require that the Approved Location be expanded to a total of 1,500 square feet.

We must review and approve any proposed location, as well as any lease associated with the proposed location, prior to your entering into any lease for the proposed location. You must secure the Approved Location within 12 months of executing the Franchise Agreement in the event that you have not already obtained our approval prior to executing the Franchise Agreement. We may provide you with standards and specifications for the design and layout of the premises of the Approved Location.

Advertising and Promotional Materials

We must approve all self-generated advertising materials (advertising materials created by you) prior to publication or use.

Insurance

You must purchase and maintain, at your own expense, insurance covering the operation and location of your Franchised Business as we may require. You must purchase the required insurance at least 30 days before opening your Franchised Business or upon signing a lease for the Approved Location. The limits described in the paragraph below are the minimum amounts that you are required to purchase. If you sign a lease or contract that requires a higher amount than provided below, then you must obtain the higher level of coverage under the terms of the lease or contract. If you sign a lease or contract that does not require as much coverage, you must still purchase enough insurance to meet our requirements.

You must obtain the insurance coverage that we require from time to time as presently disclosed in the Manuals and as we may modify it. All insurance policies required under your Franchise Agreement and as set forth in the Franchise Agreement (excluding workers' compensation) must name us, our officers, directors, shareholders, partners, agents, and representatives as additional insureds. The insurance policies must include a provision that the insurance carrier must provide us with no less than 30 days' prior written notice in the event of a material alteration to, or cancellation of, any insurance policy. A certificate of insurance must be furnished by you to us at the earlier of 90 days after the Effective Date of the Franchise Agreement or prior to the commencement of our Initial Training Program. Insurance coverage must be at least as comprehensive as the minimum requirements set forth in the paragraphs below and in the Franchise Agreement. You must consult your carrier representative to determine the level of coverage necessary for

the Franchised Business. Higher exposures may require higher limits. Presently, our insurance requirements are as follows:

A. General Liability Insurance with minimums of $1,000,000 per occurrence, $2,000,000 general and products/completed operations aggregate, $1,000,000 personal/advertising injury, $50,000 rented premises damage, and $5,000 medical expenses. The policy must include additional insured, waiver of subrogation, primary and noncontributory provisions, independent contractors' liability, be occurrence-based and per project aggregate.

B. Contractors Errors & Omissions Insurance with minimums of $1,000,000 per occurrence and $1,000,000 aggregate.

C. Contractors Pollution Liability Insurance with minimums of $1,000,000 per occurrence and $1,000,000 aggregate.

D. Commercial Auto Insurance with a $1,000,000 combined single limit, covering uninsured/underinsured motorists, and owned, hired, and non-owned autos. The policy must include additional insured status, waiver of subrogation and primary/non-contributory provisions with maximum comprehensive and collision deductibles not exceeding $1,000.

E. Workers' Compensation Insurance with coverage limits of $1,000,000 for bodily injury by disease per accident, $1,000,000 policy limit, and $1,000,000 per employee. The policy must be in place regardless of state laws and cannot exclude owner-operators. It must also include uninsured independent contractors and a waiver of subrogation.

F. Property insurance with coverage for business personal property (full replacement cost value), equipment (≥ $35,000), and trailer (≥ $10,000, if applicable).

G. Cyber liability insurance for financial losses arising from unauthorized access, loss or corruption of data, including, but not limited to, privacy and data security breaches, misdirected funds, virus transmission, denial of service, and loss of income from network security failures, with a minimum limit of $250,000 per claim and in the aggregate;

H. All other insurance that we require in the Operations Manual or that is required by law or by the lease or sublease for the Franchised Business; and

I. For all subcontractors and independent contractors that you use, we recommend the following insurance requirements:

i. The subcontractor(s) and/or independent contractor(s) shall carry the same limits and coverages that are carried by you;

ii. You shall be named as an additional insured under the subcontractor(s) and/or independent contractor(s) policy(ies);

iii. The subcontractor(s) and/or independent contractor(s) policy(ies) shall carry a waiver of subrogation endorsement as well as a primary and non-contributory endorsement; and

iv. Any policy shall provide a 30 days' notice of cancellation.

We must approve all insurance carriers in advance and in writing. All insurance policies must be issued by insurance companies with a rating of A-VII or better, as reported in the most recent edition of A.M. Best's Insurance Reports. Our acceptance of an insurance carrier does not constitute our representation or guarantee that the insurance carrier will be capable of meeting claims during the term of the insurance policy.

Computer Hardware and Software

You must purchase any computer hardware, software and peripherals that meet our System standards and specifications. You must obtain, maintain, and use the business management and technology system that we specify periodically in the Manuals .

The Business Management and Technology System will use third-party software from our approved vendors, including our digital platform system, for point-of-sale functions, email marketing, and all customer management functions. For any proprietary software or third-party software that we require you to use, you must execute and be responsible for the fees associated with any software license agreements or any related software maintenance agreements that we or the licensor of the software require.

Purchasing and Distribution Cooperatives; Rebate Programs

We currently do not have any purchasing or distribution cooperatives; however, we reserve the right to establish these types of cooperatives in the future. We may negotiate certain purchase arrangements (including price terms) for the purchase of certain items with suppliers for the benefit of franchisees.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Item of Disclosure Document
a. Site selection and acquisition / lease	Section 7.1	Items 7, 11 and 12
b. Pre-opening purchases / leases	Sections 7.1, 7.3, 7.4, 7.6, 7.8 and 7.11	Items 7 and 8
c. Site development and other pre-opening requirements	Sections 7.1 and 9	Items 6, 7, 8 and 11
d. Initial and ongoing training	Sections 7.2 and 8	Item 11
e. Opening	Section 7.3	Item 11

Obligation	Section in Franchise Agreement	Item of Disclosure Document
f. Fees	Sections 2.2.9, 3, 6, 7.4.3.1, 7.6.5.1, 8.1.2, 8.1.3, 8.2, 8.3, 9.5, 11.1, 12.3, 12.5.3,14.3.2.8 22.8, and the Data Sheet	Items 5, 6, 7 and 11
g. Compliance with standards and policies / operations manual	Sections 6, and 7	Items 8 and 11
h. Trademarks and proprietary information	Sections 4, 5, 7.8 and 7.14	Items 13 and 14
i. Restrictions on products / services offered	Sections 1.2 through 1.8, 7.4 and 7.5	Items 8, 12 and 16
j Warranty and customer service requirements	Section 7.18	Item 15
k. Territorial development and sales quotas	Not Applicable	Items 12 and 17
l. Ongoing product / service purchases	Sections 7.4 and 7.5	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 7.1.2, 7.15 and 7.17	Items 6, 8, 11 and 12
n. Insurance	Section 9	Items 7 and 8
o. Advertising	Section 12	Items 6 and 11
p. Indemnification	Section 13.2	Item 6
q. Owners' participation / management / staffing	Sections 7.6.3 through 7.6.5 and 7.10	Items 11 and 15
r. Records and reports	Sections 10 and 11	Item 6
s. Inspections and audits	Sections 7.7 and 11	Items 6 and 11
t. Transfer	Section 14	Item 17
u. Renewal	Section 2.2	Item 17
v. Post-term obligations	Sections 16.1 and 17.2	Item 17
w. Noncompetition covenants	Section 17	Item 17
x. Dispute Resolution	Section 18	Item 17

ITEM 10
FINANCING

We do not offer direct or indirect financing to you. We do not guarantee your note, lease or other obligations.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM AND TRAINING

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

A. Pre-Opening Obligations

Before you open your Franchised Business, we (or our designee(s)) will provide you with the following assistance:

1. We will define your Designated Territory (Franchise Agreement, Section 1.2) within which you must select a site. We do not generally own a premises which is then leased to a franchisee. Your Approved Location is subject to our written approval. If we do not agree to a site, we may terminate your Franchise Agreement upon notice to you (Section 7.3 of the Franchise Agreement) and retain the Initial Franchise Fee.

2. We will provide you with site selection guidelines and general specifications and standards, including any specific requirements. We consider some or all of the following factors when determining whether or not a site meets our approval: general location and neighborhood, zoning, size, physical characteristics of existing buildings, and lease terms. Aside from providing requirements for constructing, outfitting and furnishing the new Approved Location, we provide no other assistance for such requirements. You may operate the Franchised Business from a home office and/or storage facility that is approved by us and otherwise meets our standards and specifications. (Franchise Agreement, Section 7.3). The Approved Location must include an office and storage space for equipment and inventory. The Approved Location must typically include between 30 and 60 square feet of office space, 100 to 200 square feet of storage space (which must have electric and water service), and must provide parking for a truck and trailer. Starting in month 13 and after we recommend and may require that the Approved Location be expanded to a total of 1,500 square feet.

3. We will provide initial training in the System and our policies and procedures to your required trainees (Franchise Agreement, Section 8).

4. We will provide you with either a written copy or electronic access to our Operations Manual and other manuals, on loan as long as the Franchise Agreement or successor franchise agreement remains in effect. The table of contents for the Operations Manual is attached as Exhibit K to this Franchise Disclosure Document. The Operations Manual is currently 81 pages. (Franchise Agreement, Section 6.1).

5. We, or an approved third-party supplier, will deliver to you your initial supply of inventory and supplies, which you must offer for sale to your customers. We will also provide you with a list of approved and recommended suppliers and a list of equipment that you will need to operate your Franchised Business. We do not deliver or install any of these tools or pieces of equipment (Franchise Agreement, Section 6.2).

6. We will provide advice and guidance, as we deem necessary in our sole discretion, in preparing you to open your Franchised Business, including standards and procedures for obtaining

inventory and supplies, providing approved services, advertising and promoting the business, and otherwise operating the Franchised Business during the start-up phase (Franchise Agreement, Section 6).

7. We will approve your Franchised Business opening, provided that you have met all of our requirements for opening, including completion of initial training, and purchase of the Initial Inventory and all necessary tools and equipment. We estimate that the typical length of time between signing a Franchise Agreement and opening your Franchised Business is approximately 30 to 90 days. Factors affecting this length of time include, among others: hiring of the requisite employees; successful completion of initial training; local ordinances or community requirements; issuance of all necessary licenses, permits and approvals; and procuring required insurance. You must open the Franchised Business no later than 90 days after the effective date of the Franchise Agreement. The Approved Location must include an office and storage space for equipment and inventory. The Approved Location must typically include between 30 and 60 square feet of office space, 100 to 200 square feet of storage space (which must have electric and water service), and must provide parking for a truck and trailer. We may extend the 90 day opening deadline, in our sole discretion, which we may condition on you executing a general release. Starting in month 13 and after we recommend and may require that the Approved Location be expanded to a total of 1,500 square feet.

8. We will provide you with dedicated phone numbers which you must use in connection with your Franchised Business and in all marketing items (Franchise Agreement, Section 7.11).

We will not provide general business or operations training to your employees or independent contractors, except for the Designated Manager(s) (who may be an employee);; however, we may provide limited training on the System and brand standards to your key employees. You will be responsible for training your employees and independent contractors, including any training on the day-to-day operations of the Franchised Business. You will be responsible for hiring, training, directing, scheduling, and supervising your employees and independent contractors in the day-to-day operations of the Franchised Business. We do not provide the above services to renewal franchisees and may not provide all of the above services to franchisees that purchase existing Franchised Businesses.

B. Training

Initial Training

You (or your operating principal if you are an entity) and your Designated Manager (the "Required Trainees") must attend and satisfactorily complete to our satisfaction the initial training program before you open your Franchised Business. Initial training currently consists of approximately 5 days of training to be held at our Home Office located in Huntersville, North Carolina, and other location(s) designated by us near Charlotte, North Carolina prior to opening your Franchised Business ("Initial Training Program"). We may provide on-site follow-up training, as we, in our sole discretion, deem necessary to be conducted 4 to 6 weeks after your Franchised Business opens for business. We will conduct initial training at least 6 times per year (approximately every other month), but may conduct training sessions more frequently in our discretion. We reserve the right to modify the length, location and timing of initial training. We may waive a portion of the Initial Training Program or alter the training schedule if we determine that your trainees have sufficient prior experience or training. The Initial Training Program will be provided as soon as practicable after you sign your Franchise Agreement(s) and must be completed within 90 days after the effective date of the Franchise Agreement (Franchise Agreement, Section 8).

TRAINING PROGRAM

TRAINING PROGRAM			
Subject	Hours of Classroom Training	Hours of On-The-Job Training[(1)]	Location
90 Day Sprint	2	1	Our Home Office (Huntersville, NC), virtually, or other location we designate
Business Planning & Discussions	0.5	1.5	Our Home Office (Huntersville, NC), virtually, or other location we designate
Safety	0.5		Our Home Office (Huntersville, NC), virtually, or other location we designate
Fundamentals of Marketing	0.5	2	Our Home Office (Huntersville, NC), virtually, or other location we designate
Compliance and Royalties	0.5		Our Home Office (Huntersville, NC), virtually, or other location we designate
Estimating overview	3	1	Our Home Office (Huntersville, NC), virtually, or other location we designate
Sales Techniques, Discussions and Role-Play	4	2	Our Home Office (Huntersville, NC), virtually, or other location we designate
Ordering Supplies	0.5		Our Home Office (Huntersville, NC), virtually, or other location we designate
RS Sub Contractors	0.5		Our Home Office (Huntersville, NC), virtually, or other location we designate
Service Titan Software	2	2	Our Home Office (Huntersville, NC), virtually, or other location we designate
Job set up & Preparation	1.5		Our Home Office (Huntersville, NC), virtually, or other location we designate
Roof Washing and equipment	1	2	Our Home Office (Huntersville, NC), virtually, or other location we designate
Roof Repairs	1	1	Our Home Office (Huntersville, NC), virtually, or other location we designate
Product Techniques and application	1.5	2	Our Home Office (Huntersville, NC), virtually, or other location we designate
Totals	31.5	14.5	

[(1)]At our sole discretion, we may provide up to 20 hours of additional "On-The-Job" training or consulting at no cost to you after your completion of the Initial Training Program.

Explanatory Notes:

1. The training subjects may vary, and the training may be less than the times indicated above, depending on the number and experience of the attendees. We use Manuals, PowerPoint

presentations, online videos and tutorials (or virtual), a learning management system, and other materials as instructional materials in our Initial Training Program and other training programs. In addition to the above training, we may, in our discretion offer or require additional On-The-Job Training through "ride-a-long" training sessions with experienced franchisees in or around Huntersville, NC or other locations we designate. We expect there to be approximately 8 hours (one day) allocated to this training.

2. The instructors for our Initial Training Program and other training programs all have experience working with us or similar businesses. The following individuals will lead our training programs: (i) Michael Wagner, President of Roof Scientist, who has been with us since October 2024 and has over 9 years of experience in franchise operations; and (ii) Chris Stefanco, Vice President of Operations of HFB since March 2022, who has over 21 years of experience in franchise operations, training and business coaching in the services business industry and who has been with us since our inception. We may also use certain vendors and current franchisees to assist in the training program.

3. Your Required Trainees must successfully complete the Initial Training Program at least 30 days before opening your Franchised Business. We will determine, in our discretion, what constitutes successful completion of the Initial Training Program. If your Required Trainees are unable to successfully complete, in our sole discretion, the Initial Training Program for any reason, your Required Trainees must repeat the Initial Training Program, or you must send replacement Required Trainees to complete the Initial Training Program. If your Required Trainees have not, in our sole discretion, successfully completed the Initial Training Program 30 days before the opening of your Franchised Business, we may terminate the Franchise Agreement, in which case we will not refund any initial fees paid by you.

Additional Training

We may periodically conduct mandatory or optional training programs for your Required Trainees and/or your employees at our office or another location that we designate. There will be no charge for training programs that we require you or your employees to attend, but we may charge you our then-current fee for optional training programs. We may provide additional training in person or via recorded media, teleconference, video conference, the Internet, webinar, or any other means, as we determine. We may require your Required Trainees or employees to satisfactorily complete any additional training programs that we specify. We may require your Required Trainees to participate in refresher or advanced training each year.

Training by You

You and/or your operating principal and your Designated Manager(s) are responsible for training all of your other employees (and subsequent Designated Managers) in accordance with our standards and training programs. If, in our sole judgment, you fail to properly train your employees or other personnel in accordance with our standards, we may prohibit you from training additional employees and either require them to attend training at our headquarters or pay for our costs and expenses to send one of our representatives to train them at your Franchised Business.

C. Post-Opening Obligations

After you open your Franchised Business, we (or our designee(s)) will provide you with the following assistance:

1. Review Advertising. We will review any advertising or promotional programs or materials that you develop (Franchise Agreement, Section 12.1).

2. Brand Fund Management. We will manage the Brand Fund as described below. We will prepare an unaudited statement of contributions and expenditures for the Brand Fund and make it available within 120 days after the close of our fiscal year for the prior fiscal year only to franchisees who make a written request for a copy (Franchise Agreement, Section 12.3).

3. Requested Consulting Services. We will provide you additional consulting services with respect to the operation of the Franchised Business upon your request and subject to the availability of our personnel at a mutually convenient time. We will make available to you information about new developments, techniques and improvements in the areas of advertising, management, operations, and Franchised Business design. We may provide such additional consulting services through the distribution of printed or filmed material, an Intranet or other electronic forum, meetings or seminars, teleconferences, webinars, or in person. If such services are rendered in person other than at our offices, you must pay us our then current training fee and our expenses (Franchise Agreement, Section 6.3).

4. Additional Training. We may schedule, and require you, your Designated Manager (if applicable), and other employees, to attend additional or refresher training courses. We will provide this training to you and your employees at our corporate headquarters, at any other training facility we designate, or virtually. We may also provide you with remedial training if we determine, in our sole discretion after conducting an audit or inspection of your Franchised Business, that you are not complying with our System standards and specifications. The purpose of remedial training is to get you back on track and in compliance with our standards and specifications (Franchise Agreement, Section 6.5). We may periodically conduct optional training programs for your Required Trainees and/or your employees at our office or another location that we designate. We may provide additional training in person or via recorded media, teleconference, video conference, the Internet, webinar, or any other means, as we determine. In addition to participating in ongoing training, you will be required to attend an Annual Conference of all franchisees at a location we designate and pay a conference fee if we hold an annual meeting of all Franchisees. We reserve the right to host an Annual Conference and charge you the then-current Annual Conference fee. The Annual Conference fee is currently $1,000 per person to attend. We reserve the right to host up to 2 Annual Conferences per year. You are responsible for all travel and expenses for your attendees. If you do not attend the Annual Conference(s), you must still pay us the Annual Conference Registration Fee, regardless of the cause for non-attendance, unless you receive our advance written approval for such absence. This fee is charged on a per franchisee basis.

5. System Updates. We may, as we deem necessary in our sole discretion, modify and update the System and Manuals, including any standards and specifications, and provide you with updated lists of: (i) Approved Products and Approved Services; (ii) Approved Suppliers; and (iii) items you must purchase in accordance with our System standards and specifications (i.e., equipment, fixtures, inventory and supplies) (Franchise Agreement, Section 1.1 and Section 6.1).

6. Call Center and Business Management and Technology System Updates. We reserve the right to administer our Business Management and Technology System and a Call Center, as we deem advisable, to manage prospective and existing customers and route/assign work orders/inquiries as we deem necessary in our sole discretion (Franchise Agreement, Section 6.6 and Section 7.8.1).

7. Evaluate Alternate Suppliers. We will review any alternate supplier or non-approved item you propose for use in connection with the Franchised Business, and subsequently approve or deny these proposals (Franchise Agreement, Section 7.4.3).

8. Relocation Review. We will evaluate sites to which you propose to relocate your Franchised Business in accordance with our then-current System Standards for Approved Locations. You must reimburse us for our costs and expenses associated with evaluating your relocation request and/or any locations proposed by you for relocation. We will provide you with copies of our invoices for our expenses from any third-party providers upon request (Franchise Agreement, Section 7.1.1).

9. Ongoing Advice. We may provide periodic advice and guidance regarding the ongoing operation of your Franchised Business and/or the use of the Proprietary Marks and System in general, as we deem necessary or advisable in our sole discretion. Our advice and assistance may be provided through meetings, printed materials and/or other media that we may make available to you in the System from time to time, or otherwise by telephone, email or other manner of communication. In certain circumstances, we reserve the right to charge our then-current training fee in connection with providing such assistance and/or be reimbursed for our expenses in providing any on-site assistance (Franchise Agreement, Section 6.3).

10. Pricing. If we determine that we may lawfully require you to charge certain prices for products or services, certain minimum prices for products or services, or certain maximum prices for products or services, you must adhere to our pricing policies as set forth in the Manuals or otherwise in writing from time to time. Otherwise, you are solely responsible for determining the prices that you charge customers. You must provide us with your current price list upon our request.

D. Advertising and Marketing

Local Advertising

You and we agree that as Franchisor, we have the right, in light of our marketing expertise and research regarding effective advertising of the System: (a) to formulate and design local advertising services, including the service options and vendors made available to franchisees from time to time; (b) to develop and control all content for the Local Advertising Requirement; and (c) to determine the uses and distribution of all such advertising. We have the right to administer each service, as well as other services we elect to offer in the future, which may include appointment generation platforms, billboards, radio ads, social media ads, internet advertising, etc. We can change or end a service at any time and add new services at any time. This advertising is generally directed to your Designated Territory. We may require that all or a portion of the Local Advertising Requirement be paid to us or an Approved supplier for these products and/or services.

Brand Fund

We have established a creative Brand Fund (the "Brand Fund") for the common benefit of the System. You are currently required to participate in and contribute 2% of your Franchised Business's Gross Revenue; however, we reserve the right to increase the Brand Fund Contribution to 3% of your Gross Revenue (Franchise Agreement, Section 12.3). Other Franchisees have agreements to pay a different amount or rate depending on, among other reasons, when they entered the system.

The Brand Fund Contribution is presently payable on a monthly basis directly to the Brand Fund via EFT on the 10th day of each month for the sales made during the immediately preceding month. Not all System franchisees will benefit directly or on a pro rata basis from such expenditures (Franchise

Agreement, Section 12.3). The Brand Fund Contributions will not be used for advertising that is principally a solicitation for franchisees (Franchise Agreement, Section 12.3).

Franchisor may spend on behalf of the Brand Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Franchised Businesses to the Brand Fund in that year, and the Brand Fund may borrow from us or others to cover deficits or invest any surplus for future use. If we do not spend all Brand Fund Contributions by the end of each fiscal year, the funds will be carried forward into the next fiscal year.

We will prepare on an annual basis and will have available for you within 120 days of the end of the fiscal year, an unaudited statement of contributions and expenditures for the Brand Fund. Upon your written request, we will provide you with the statement for the previous fiscal year only. There is no requirement that the Brand Fund be audited (Franchise Agreement, Section 12.3).

We are not required under the Franchise Agreement to spend any amount on advertising in your Designated Territory. Not all System franchisees will benefit directly or on a pro rata basis from our expenditures (Franchise Agreement, Section 12.3).

Company or affiliate-owned Franchised Businesses may contribute to the Brand Fund, but they are not required to do so (Franchise Agreement, Section 12.3).

We reserve the right to suspend or terminate the Brand Fund at any time, and any surplus funds may only be used for marketing and advertising purposes until fully expended (Franchise Agreement, Section 12.3).

During our last fiscal year ended December 31, 2024, we did not collect Brand Fund Contributions.

Advisory Council

We currently do not have an advisory council but reserve the right to establish an advisory council for the purpose of exchanging ideas and problem-solving methods, to advise us on expenditures for System-wide advertising, and to coordinate franchisee efforts (an "Advisory Council"). In the event you are elected and accept, you must participate actively in the Advisory Council and participate in all Advisory Council meetings as we require. We reserve the right to prepare and amend the governing documents for the Advisory Council from time to time as we deem necessary, and we will determine the topic areas to be considered by the Advisory Council. The Advisory Council shall act in an advisory capacity only, and we shall have the right to form, change or dissolve an Advisory Council at any time, as we deem necessary in our sole discretion (Franchise Agreement, Section 12.6).

Local Advertising Requirement

In addition to the Brand Fund Contributions, each month you are required to spend the greater of (i) 3% of your Gross Revenue generated during the immediately preceding calendar month; or (ii) $3,000 per month on advertising and promoting your Franchised Business within the Designated Territory in accordance with our standards and specifications (the Local Advertising Requirement). We reserve the right to increase your Local Advertising Requirement to 4% of Gross Revenue upon 90 days' prior written notice to you. If you wish to use any advertising or promotional materials other than those currently approved for use by System franchisees, then you must submit the materials you wish to use to us for our prior written approval at least 30 days prior to your intended use or publication, and you may only use those materials if they are approved by us and such approval is not withdrawn or revoked (Franchise Agreement, Section 12.1).

Grand Opening Marketing

In connection with the opening of the Franchised Business, you must spend a minimum of $12,000 for grand opening advertising and promotion in the 30 days prior to opening the Franchised Business and the 60 days after opening the Franchised Business in accordance with a plan that you must submit to us. We reserve the right to modify your grand opening plan, in our sole discretion, and may require you to use a public relations or other advertising firm to assist with your grand opening. No amount paid by you for your grand opening will be credited toward your Local Advertising Requirement. You must provide us with supporting documentation evidencing these expenditures upon request. If you enter into a Multi-Unit Addendum with us, you will only be required to spend $12,000 in total for Grand Opening Advertising for all Franchised Businesses so long as they are located in contiguous Designated Territories. We reserve the right to increase the required spend to $22,000 as we deem necessary (Franchise Agreement, Section 12.5.1).

Advertising Cooperatives

We currently do not have any advertising cooperatives and have no plans to form such cooperatives in the immediate future. However, you must join and actively participate in any organizations or associations of franchisees or advertising cooperatives that we establish or that are established at our direction for the purpose of promoting, coordinating and purchasing advertising in local, regional or national areas where there are multiple Franchised Businesses, and you must abide by the bylaws, rules and regulations duly required by such advertising cooperative, which we reserve the right to mandate or approve if and when we form such cooperative. If we form an advertising cooperative, we will have the right to determine how membership will be defined, whether company-owned or affiliate-owned Franchised Businesses will participate in the cooperative, and whether we, an affiliate, a franchisee or a third party will administer the cooperative. If you join an advertising cooperative, we or the advertising cooperative may require you to spend additional funds on marketing programs conducted by the advertising cooperative, which may be in addition to your Local Advertising Requirement. There is no cap on this potential spending obligation. The contribution amount is set by the cooperative and may only exceed the Local Advertising Requirement of 4% of Gross Revenue if agreed to by 2/3 of the cooperative. If company-owned Franchised Businesses have controlling voting power (defined as 2/3 of the cooperative votes), then the contribution amount is limited to 2% above the maximum Local Advertising Requirement, unless 2/3 of the cooperative vote, excluding company owned Franchised Business votes, to approve a higher amount. If we form an advertising cooperative, we will make any governing documents available to you for your review. The advertising cooperative will prepare on an annual basis and will have available for you within 120 days of the end of the fiscal year, an unaudited statement of contributions and expenditures for the Brand Fund. Upon your written request, the advertising cooperative will provide you with the statement for the previous fiscal year only. Franchisor has the power to require any cooperative to be formed, changed, dissolved or merged at any time.

E. Website and Internet Presence

We reserve the right, but not the obligation, to establish and maintain a website that provides information about the System and the products and services offered by Franchised Businesses. If we exercise our right to create such a website, we will have sole discretion and control over it. We also have the right, but not the obligation, to create interior pages on our website(s) that contain information about your Franchised Business and other System locations. If we do create such a page, we may require you to prepare all or a portion of the page for the Franchised Business, at your sole expense, and may require you to use a template that we provide (Franchise Agreement, Sections 12.2.1 and 12.2.2).

F. Computer Hardware and Software

You must obtain, maintain and use the Business Management and Technology System that we specify periodically in the Manuals to: (i) enter and track purchase orders and receipts and customer information; (ii) update inventory; (iii) enter and manage your customer's contact information; (iv) generate sales reports and analysis relating to the Franchised Business; and (v) provide other services relating to the operation of the Franchised Business.

The Business Management and Technology System currently includes a laptop computer, a tablet computer, a printer and a smartphone device. Specifications for the brand, operating capabilities, and functionality of these hardware components will be set forth in the Manuals and is subject to change. At a minimum, the components of the Business Management and Technology System must be connected to the Internet via a high-speed Internet connection and must be able to run our designated software programs and general business software such as email, word processing, and similar programs.

The Business Management and Technology System will use third-party software from our approved vendors, including our digital platform system for point-of-sale functions, email marketing, and all customer management functions. For any proprietary software or third-party software that we require you to use, you must execute and be responsible for the fees associated with any software license agreements or any related software maintenance agreements that we or the licensor of the software require.

We estimate that the Business Management and Technology System will cost between $1,000 and $3,000, which includes the cost of the hardware, software licenses, related equipment, and network connections, including related installation costs. We, or our approved suppliers, will act as vendors or suppliers of some or all of the components of the Business Management and Technology System.

You must maintain the Business Management and Technology System at your expense and must purchase any hardware or software maintenance or technical support programs that we require. You must replace, upgrade, or update the Business Management and Technology System as we may require from time to time. We will establish deadlines for implementation of any changes to our Business Management and Technology System requirements, but there are no contractual limitations on the frequency or cost of our right to require changes to the Business Management and Technology System.

We currently do not require you to enter into, or expect that you will need to enter into, any maintenance, updating, upgrading or support contracts related to the Business Management and Technology System. We, our affiliates, and third-party vendors are not obligated to provide you with any ongoing maintenance, repairs, upgrades or updates. Vendors may be able to offer optional maintenance, updating, upgrading, or support contracts to you, which we estimate may cost between $200 and $400 per year. Franchisor does not have any contractual obligations to maintain, repair, update or upgrade franchisee's computerized system.

You, at all times, must give us unrestricted and independent electronic access (including user IDs and passwords, if necessary) to the Business Management and Technology System for the purposes of obtaining the information relating to the Franchised Business. You must permit us to download and transfer data via a high-speed Internet connection or such other connection that we specify on a real-time basis. There are no contractual limitations on our right to access data stored in the Business Management and Technology System, and we may program the Business Management and Technology System to automatically transmit data and reports about the operation of your Franchised Business to us. Franchisor does not have any contractual obligations to maintain, repair, update or upgrade franchisee's computerized system.

ITEM 12
TERRITORY

Designated Territory

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Upon signing the Franchise Agreement, we will provide you an area in which you will have protected rights (the Designated Territory). Your franchise is for an area approved by us and not a specific location. The size of your Designated Territory may vary from other System franchisees based on the location and demographics surrounding your Approved Location. Typically, a Designated Territory will consist of approximately 80,000 Qualified Households, depending upon geography, demographics, and other factors. The demographics, geography, and other factors we use in defining your Designated Territory are based upon information provided to us by third-party sources that we select at our sole discretion. We do not guaranty the accuracy of this information.

The boundaries of your Designated Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map. The sources we use to determine the population within your Designated Territory will be publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources).

A Multi-Unit Addendum does not grant territory to you. If you have two or more franchise agreements operated under a Multi-Unit Addendum, the Designated Territory is defined in the underlying franchise agreements. You are required to have one Approved Location for all Designated Territories included under a Multi-Unit Addendum. Under a Multi-Unit Addendum, 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.

Relocation of the Franchised Business

If you would like to relocate the Approved Location, you must receive our written consent and our approval, which will not be unreasonably withheld, provided: (i) the new Approved Location is satisfactory to us and within your Designated Territory; (ii) your lease, if any, for the new location complies with our then-current requirements; (iii) you comply with our then-current requirements for constructing, outfitting and furnishing the new Approved Location; (iv) the new Approved Location will not, as determined in our sole discretion, materially and adversely affect the Gross Revenue of any other Franchised Business; (v) you have fully performed and complied with each provision of the Franchise Agreement within the last 3 years prior to, and as of, the date we consent to such relocation (the "Relocation Request Date"); (vi) you are not in default, and no event exists as of the Relocation Request Date; and (vii) you have met all of our then-current training requirements. If you lose your lease, you must secure our approval of another site and enter into a lease for the new approved site within 180 days after you lose your site lease. These same conditions apply when seeking to relocate the Approved Location under a Multi-Unit Addendum.

You may not solicit customers outside of your Designated Territory or use other channels of distribution (Internet, catalog sales, telemarketing, or other direct marketing) without our prior written consent (which may be withheld for any reason). You may accept requests for Services from consumers outside of your Designated Territory. However, you are subject to certain requirements and restrictions set forth in the then current *Adjacent Territory Policy* and *Open Territory Transition* policy each of which are

set forth in the Manuals. You must receive our permission to provide services outside of your Designated Territory. If you provide services to customers in an Open Territory, upon sale of that territory to a franchisee you will be obligated to transfer customers, provided that you will have 6 months to complete work in progress. You may provide services to customers in the adjacent territory of another franchisee if you: 1) inform the adjacent franchisee; 2) inform the customer of the other franchisee and obtain a written request to use your business; 3) you provide a revenue share with the adjacent franchisee not to exceed 3%; and 4) you have received our prior written permission. This policy is subject to change or withdrawal upon notice to you and an update of the Operations Manual.

National Accounts

We can use and we reserve the right to negotiate arrangements (and enter into agreements and approve forms of agreements) with customers who have regional or nationwide facilities and whose business is not confined to one particular franchisee's Designated Territory, regardless of the contract amount of the services to be provided ("National Accounts"). We or any party we may designate shall have the right to perform the services for the National Account within your Designated Territory while using the Proprietary Marks or under trademarks other than the Proprietary Marks. You are not entitled to any right to compensation or consideration for work performed by others in your Designated Territory for National Accounts.

Rights Reserved By Us

Among other things, we and our affiliates also reserve the exclusive right to use other channels of distribution, such as: (i) businesses of any kind, including businesses that offer products that are similar to those provided by your Franchised Business that are acquired, merged with, engaged in joint ventures with, or otherwise affiliated with, and thereafter own and operate and franchise others the right to own and operate any business, within or outside your Designated Territory; (ii) businesses we open and operate or license third parties to open and operate, that offer products and services similar to the Franchised Business under marks other than the Proprietary Marks within or outside your Designated Territory and (iii) our Call Center, which may service, route and/or assign any and all customer work orders and inquiries it receives within or outside your Designated Territory. We are not required to pay you for soliciting or accepting orders from inside your Designated Territory or allowing others to do so.

Alternate Channels of Distribution

We, our affiliates, or third parties can use and reserve the right to use other channels of distribution to make sales in your Designated Territory, including those products and services already developed and those yet to be developed. These other channels of distribution will include, but are not limited to, National Accounts, the Internet, and joint marketing with partner companies under terms and conditions that we deem appropriate. We are not required to pay you for soliciting or accepting orders from inside your Designated Territory.

Restriction on Rights

You do not have the right to open additional Franchised Businesses, nor do you have any right of first refusal on any other location.

ITEM 13
TRADEMARKS

You will have the limited right to use the following Proprietary Marks that are currently pending with the United States Patent and Trademark Office ("USPTO"), as well as any other Proprietary Marks we may now or in the future designate in connection with the System, provided you use these Proprietary Marks in accordance with our System standards and specifications:

Mark	Serial No.	Filing Date	Register
ROOF SCIENTIST	98785525	October 4, 2024	Principal
	98838190	November 5, 2024	Principal
PROFESSOR SHINGLETON	98849168	November 12, 2024	Principal
			Principal

We do not have a federal registration for the Proprietary Marks listed in the table immediately above (serial numbers 98785525, 98838190, and 98849168). Therefore, these Proprietary Marks do not have the same legal benefits and rights as a federally-registered trademark. If our right to use these Proprietary Mark are challenged, you may have to change to an alternative trademark, which may increase your expenses.

All required affidavits relating to the Proprietary Marks have been filed. There are currently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court; no pending interference, opposition or cancellation proceedings; nor any pending material litigation involving the Proprietary Marks. Currently, there is no litigation pending or otherwise that limits our ability to use or license the Proprietary Marks to you or any other franchisee. There are no other agreements that will affect our right to use, and license you to use, the Proprietary Marks in any manner material to the System and franchises offered in this Franchise Disclosure Document.

We are not obligated to protect your right to use the Proprietary Marks. Our right to pursue any third-party infringers of our Proprietary Marks is optional. We are not required to protect you against third party claims of trademark infringement or unfair competition; however, we reserve the right to assist in the defense of such matters.

You must immediately notify us of any information that you acquire concerning any use by others

of names or marks which are the same, or confusingly or deceptively similar to any of the Proprietary Marks. You must immediately notify us of any apparent infringement or challenge to your use of any Proprietary Mark, or any claim by any person of any rights in any Proprietary Mark.

We are not required to take affirmative action when notified of use or claims related to the Proprietary Marks.

We have the right to take over control of litigation or administrative proceedings involving the Proprietary Marks, but we are not obligated to do so. Franchisee will control unless and until we have chosen to assert control. If we choose to take over or control the defense of any claim or challenge, the cost of such defense will be paid by us, provided that if any claim or challenge is caused by your wrongful acts, we may request that you indemnify us for any claims or damages we incur. This includes paying all of our attorneys', experts' or other professional fees we may incur to defend any claim or challenge resulting from any of your wrongful acts. In limited instances, if we take over any claim or challenge, we may reimburse you for the expenses you incur in connection with cooperating with us, as we deem necessary in our sole discretion.

If at any time we consider it to be advisable (in our sole discretion) for us and/or you to modify or discontinue the use of any Proprietary Mark and/or use one or more additional or substitute trade or service marks, you must comply with our directions within a specified time after receiving notice from us and at your expense. We are not obligated to reimburse you for the costs you incur in complying with our directions or the loss of revenue or expenses caused by any modification or discontinuance of a Proprietary Mark.

We are not aware of any party who may have superior prior rights or any infringing uses that could materially affect the franchisee's use of the principal trademarks in the state where the franchised business will be located.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We have applied for a U.S. Copyright registration the U.S. Copyright Office for the graphic representation of our brand mascot, Professor Shingleton.

We do not own any registered patents or copyrights that are material to the franchise, however, we claim common law copyright and trade secret protection for several aspects of the System, including our Operations Manual, advertising and business materials. Additionally, we do not have any patent applications that are pending and/or material to this offering.

There are no current determinations, proceedings or litigation involving any of our copyrighted materials. Should you become aware that any unauthorized third party is using any of our copyrighted materials, we request that you notify us of this unauthorized use. We may revise any of our copyrighted materials in our discretion, and may require that you cease using any outdated copyrighted material. You will be responsible for printing any revised or new advertising, marketing or other business materials.

During the term of the Franchise Agreement, you will receive information which we consider to be our trade secrets and confidential information, including, but not limited to, information regarding the setup of a Franchised Business; information about proprietary products, methods, software; our Operations Manual; operations/know-how, financial and pricing information about the franchised business; training; and marketing strategies which may be communicated to you or of which you may be apprised by virtue of your operation of a Franchised Business (collectively, the "Confidential Information").

You must not, during or after the term of the Franchise Agreement, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation or limited liability company, any Confidential Information, except to your employees that must have access to it in order to operate the Franchised Business. Certain additional information, including: (i) current customer and prospective customer names and addresses; (ii) information about credit extensions to customers; (iii) customer service purchasing histories; (iv) rates charged to customers; and (v) sources of suppliers and purchasing arrangements with suppliers, also constitute our trade secrets and Confidential Information. Any and all information, knowledge, know-how, techniques, and other data which we designate as confidential will be deemed Confidential Information for purposes of the Franchise Agreement. We have expended considerable time, effort and money to develop the System, and the Confidential Information is not well known outside of the System. The Confidential Information is of great value to us, and we are implementing this non-disclosure policy in an effort to protect our trade secrets and Confidential Information.

If you, your employees or principals develop any new concept, process or improvement in the operation or promotion of the Franchised Business, you must promptly notify us and provide us with all necessary related information, without compensation. Any such concept, process or improvement will become our sole property and we will be the sole owner of all patents, patent applications, trademarks, copyrights and other related intellectual property rights. You and your principals will assign to us any rights you may have or acquire, including the right to modify the concept, process or improvement, and otherwise must waive and/or release all rights of restraint and moral rights. You and your principals agree to assist us in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing these rights. You and your principals will irrevocably designate and appoint us as your agent and attorney-in-fact to execute and file any documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any concept, process or improvement.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

You (or your principals) must devote their personal full-time attention, skill, and in good faith, use the greatest possible effort for management and operation of the Franchised Business and to promote and increase the demand for our products and services within the Designated Territory. We may allow you to operate other non-competing businesses, on a case-by-case basis if Franchisee (or at least one of Franchisee's principals, if Franchisee is a corporation or partnership) or the Designated Manager(s) devotes appropriate time, resources and effort to supervising the development and operation of the Franchised Business. The owners of Franchisee must directly oversee the Designated Manager (where one is appointed pursuant to the Franchise Agreements) and such owners may engage in other non-competitive business or activity so long as it does not materially interfere with the operation of the Franchised Businesses. You may not, without our prior written consent, engage in any commercial activity that: (i) may benefit or promote a competing business; and (ii) may be harmful to the Franchised Business or the good reputation associated with the brand, trademarks, and the System generally. If you or your principals operate a non-competing business without our permission or if the operation of a non-competing business materially interferes with the operation of the Franchised Business, we may terminate the Franchise Agreement with notice and without an opportunity to cure.

Upon your written request, we may permit you to employ a manager to manage the day-to-day operations of the Franchised Business (the "Designated Manager"), provided the Designated Manager: (i) is approved by us in writing prior to hiring; and (ii) successfully completes our Initial Training Program before assuming any managerial responsibility. The Franchised Business must, at all times, be staffed with at least

one individual who has successfully completed the Initial Training Program. In the event that a Designated Manager resigns or is otherwise terminated, the replacement must be trained pursuant to our then-current standards. The new Designated Manager must successfully complete training within 30 days of hiring. The Designated Manager is not permitted to seek or maintain other employment or engage in any other business activities during the term of the Franchise Agreement. The Designated Manager is not required to possess any equity interest in the Franchised Business.

You must operate the Franchised Business for at least those days and number of hours we specify in the Operations Manual and operate continuously after opening. Currently, the hours of operation are 9am to 5pm, Monday through Friday, except New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Eve, and Christmas Day. With our prior express written permission, the hours of operation may be adjusted based on seasonality and other factors we approve.

Any Designated Manager and, if you are an entity, an officer that does not own equity in the franchisee entity must sign the Confidentiality and Restrictive Covenant Agreement, the form of which is attached as Exhibit D to this Franchise Disclosure Document. All of your employees, independent contractors, agents or representatives that may have access to our Confidential Information must also sign a Confidentiality and Restrictive Covenant Agreement. If you are a legal entity, each owner (i.e., each person holding an ownership interest in you), including the operating principal, must sign a Personal Guaranty guaranteeing the obligations of the entity in the form of which is attached as Exhibit D to this Franchise Disclosure Document. We also require that the spouses of the Franchise owners sign the Personal Guaranty.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale all products and services which we prescribe and only those products and services which we prescribe. You may not offer any other products or services for sale without having received our prior written authorization. You must at all times maintain sufficient levels of inventory, as specified in the Operations Manual, to adequately satisfy consumer demand. You must offer, use and sell all private label products which we may now or in the future designate for sale by System franchisees.

All products and services you use or offer for sale from your Franchised Business must comply with our standards and specifications. Our standards and specifications are set forth in the Operations Manual, which is revised from time to time. You are responsible for ensuring that your Franchised Business meets these standards at all times. We have the right to inspect your Franchised Business or attend a project site for quality control purposes. We have the right to change our System from time to time.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements pertaining to renewal, termination, transfer and dispute resolution. You should read these provisions in the agreements attached to this disclosure document.

Provision	Section In Franchise Agreement	Summary
a. Length of the franchise term	2.1	10 years, which will commence on the Effective Date.
b. Renewal or extension of term	2.2 to 2.3	1 successive 10-year term. If the Franchise Agreement expires without you properly exercising your renewal right and you continue to accept the benefits of the Franchise Agreement thereafter, then, at our option, we may treat the Franchise Agreement either as (i) expired as of the date of expiration, with you then illegally operating a franchise in violation of our rights; or (ii) continued on a month-to-month basis (the "Holdover Period") until you and we agree to enter into our then-current form of franchise agreement for a renewal term or until you or we provide the other with written notice of termination, in which case the Holdover Period will terminate 30 days after receipt of the notice of termination. In the latter case, all of your obligations shall remain in full force and effect during the Holdover Period as if the Franchise Agreement had not expired, except that the franchise fee during the Holdover Period will be increased to 10% of Gross Revenue for all types of products/services and without any reductions. All obligations and restrictions imposed on you upon expiration of the Franchise Agreement shall take effect upon termination of the Holdover Period.
c. Requirements for franchisee to renew or extend	2.2.1 to 2.2.9	You must: (i) provide notice of your renewal no fewer than 12 months and no greater than 18 months prior to the end of the term; (ii) demonstrate to our satisfaction that you have the right to operate the Franchised Business at the Approved Location for the duration of the renewal term or, if you are unable to continue operating at the Approved Location, secure a substitute location that is acceptable to us; (iii) complete to our satisfaction, no later than 90 days prior to expiration of your then-current term, any updates to all required equipment, supplies, inventory, hardware and software, and vehicles and all maintenance, refurbishing, renovating, updating and remodeling of the Franchised Business premises, as well as any update to required hardware and software, as necessary to bring the Franchised Business and all equipment into full compliance with our then-current System standards and specifications for new franchisees; (iv) not be in breach of any provision of the Franchise Agreement, or any other agreement with us, our affiliates, or approved/designated suppliers and vendors, and also have been in substantial compliance with these agreements during their respective terms; (v) satisfy all monetary obligations you have to us, our affiliates, and approved or designated suppliers/vendors and also have timely met these obligations throughout the term; (vi) execute our then-current form of franchise agreement, the terms of which may materially vary from the terms of your current Franchise Agreement at least 3 months prior to the expiration of your current Franchise Agreement; (vii) satisfy our then-current training requirements and have obtained and maintained all licenses, permits and approvals required by federal and state law applicable to providing the Approved Products and Approved Services at any location within the Designated Territory; (viii) execute a general

Provision	Section In Franchise Agreement	Summary
		release in favor of us and our affiliates in the form we prescribe; and (ix) pay a Renewal Fee equal to $5,000. You will be obligated to pay a Renewal Fee for each Franchised Business you want to renew under the Multi-Unit Addendum. Provided, however, that where a group of territories are under a single Multi-Unit Addendum, the Renewal Fee will be $5,000 for the first Franchise Agreement and $1,000 for each additional Franchise Agreement renewed at the same time and in a contiguous territory
d. Termination by franchisee	Not Applicable	Not Applicable. However, franchisees may terminate under any grounds permitted by applicable law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable.
f. Termination by franchisor with cause	15.1 to 15.4	We may terminate your Franchise Agreement upon your default and, in some instances, failure to cure. Termination is effective upon delivery of written notice, except as otherwise provided in the Franchise Agreement.
g. "Cause" defined – curable defaults	15.3 15.4	The following are curable defaults under the Franchise Agreement, provided you cure the default within 15 days of our notice of: (i) your failure to pay any sums due us, our affiliates or any of our System Suppliers, Approved Suppliers, or vendors; (ii) your failure to immediately endorse and deliver to us any payments due us from any third party that are erroneously made to you; (iii) your failure to maintain sufficient inventory of marketing materials and other supplies; (iv) your failure to maintain the prescribed months, days or hours of operation at the Franchised Business; (v) your failure to personally supervise day-to-day operations or failure to employ a sufficient number of qualified, competent personnel to operate the business to the brand standards; (vi) your failure to maintain the strict quality controls reasonably required by the Franchise Agreement and/or the Operations Manual; and (vii) your failure to procure or maintain any licenses, certifications or permits necessary for the operation of the Franchised Business (provided that additional time may be provided if franchisee has an appropriate substitute license that allows the business to operate and is diligently pursuing licensure). Notwithstanding Sections 15.1, 15.2 and 15.3 of the Franchise Agreement, you will have 30 days from the date of our notice to cure any other default under the Franchise Agreement or any other agreement with us or our affiliates. The cure period will be extended for a period of up to 30 days if: a) the breach cannot reasonably be cured within the original cure period, or b) Franchisee is diligently pursuing a cure of the breach but is unable to complete the cure due to circumstances outside of Franchisee's control.
h. "Cause" defined – non-curable defaults	15.1	The Franchise Agreement will automatically terminate without notice or opportunity to cure upon the occurrence of any of the

Provision	Section In Franchise Agreement	Summary
		following: (i) if you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the Franchised Business; (ii) if proceedings are commenced to have you adjudicated bankrupt or seek your reorganization under any state or federal bankruptcy or insolvency law and such proceedings are not dismissed within 60 days, or a trustee or receiver is appointed for you or the Franchised Business without your consent and the appointment is not vacated within 60 days; or (iii) you lose the right to occupy the premises or operate the Franchised Business from the Approved Location and such location is not replaced with an approved location within 6 months after loss of the right to occupy the original site.
	15.2	We have the right to terminate the Franchise Agreement upon notice and without opportunity to cure upon the occurrence of any of the following defaults: (i) you or one of your principal(s) are convicted of, or plead guilty or no contest to, a felony (whether or not related to the Franchised business) or other offense related to the operation of the Franchised Business or which we believe, in our sole discretion, is likely to have an adverse effect on our Proprietary Marks or the goodwill associated therewith; (ii) you or your principal(s) commit any fraud or misrepresentation in the operation of the Franchised Business; (iii) you or any of your principals, including any shareholder, member, guarantor or agent engage in any activity or conduct that materially impairs the goodwill associated with the System or Proprietary Marks and fail to cease and correct such activities or conduct within 24 hours of being notified of this breach (Franchisee will have only one opportunity to cure under this section. Any subsequent violation after the first violation is subject to immediate termination without an opportunity to cure.); (iv) you or your principal(s) make any misrepresentation or omission in connection with your franchise application, including, but not limited to, any financial misrepresentation; (v) you or your Designated Manager fail to complete the Initial Training Program in the required time period; (vi) we send you 2 or more written notices of default pursuant to Sections 15.3 and 15.4 of the Franchise Agreement in any 12-month period, regardless of whether or not you subsequently cure these defaults; (vii) you or your principal(s) materially breach any other agreement with us or our affiliates, or threaten any material breach of these agreements, or any lease for the Approved Location, and fail to cure such breach within the prescribed time period set forth in that agreement; (viii) you or your principal(s) misuse our Proprietary Marks or Confidential Information in any manner; (ix) you or your principal(s) disclose any contents of the Operations Manual, Confidential Information, and/or Trade Secrets; (x) you violate any law, ordinance or regulation, as well as your operation of the Franchised Business in a manner that presents a health or safety hazard to customers or the general public and have not cured the violation within 15 days and has not put in place an action plan to

Provision	Section In Franchise Agreement	Summary
		prevent the occurrence of any similar violation in the future. The cure period does not apply to any repeated occurrence of the same or similar breach in the future; (xi) you violate any of the restrictive covenants set forth in the Franchise Agreement; (xii) a levy or writ of attachment or execution or any other lien is placed against you or any of your principals or any of their assets which are not released or bonded against within 30 days; (xiii) except for adjudicated insolvency which is subject to automatic termination, you or your principal(s) become insolvent or admits insolvency; (xiv) you voluntarily or otherwise abandon the Franchised Business; (xv) you make any unauthorized transfer of any interest in the Franchised Business (including the sale of assets of the Franchised Business) and do not void such transfer, or otherwise come into compliance with the transfer obligations within 30 calendar days of notice from Franchisor; (xvi) you offer any unauthorized or unapproved products or services at or from the Franchised Business and fails to immediately cease offering the unauthorized Products or Services unless and until you obtain approval from us; (xvii) you order or purchase supplies, signs, or other required items and/or inventory from an unapproved supplier and fails to immediately cease the unapproved purchases unless and until you obtain approval from us; (xviii) you misuse, or make unauthorized use of, any proprietary software that we may develop and does not immediately cease use of such unauthorized use of such software, provided however that immediate termination is permitted even if the unauthorized use is stopped: a) where cure is not possible, b) where such default negatively and materially impacts the rights of the system to use the software, or c) where as a result of such default franchisee is not permitted to continue using software that is a required software for the System; (xix) you fail to maintain the required insurance, and fail to reinstate insurance within 48 hours of notice from us or repay us for insurance we paid for you; (xx) you fail, within 15 calendar days after notification of non-compliance by federal/state/local government authorities, to comply with any law or regulation applicable to the Franchised Business; (xxi) the government takes any action against you that results in an obligation upon us that we believe is uneconomical, not in our best interest, or which would result in having an unintended relationship or obligation; (xxii) you fail to comply with any anti-terrorism law or provisions; (xxiii) you take any assets or property of the Franchised Business for personal use except for incidental and innocuous sue that does not result in a claim or damage to the goodwill of the brand; (xxiv) there are insufficient funds in your EFT bank account to cover any payment to Franchisor 2 or more times in any 12-month period; (xxv) you fail to commence operations of the Franchised Business within the required time period; (xxvi) you operate or conduct business outside of your Designated Territory without our consent; (xxvii) you or your principal(s) do not provide your best efforts as described in Section 7.10 of the Franchise Agreement; and (xxviii) you or your principal(s) fail to maintain an immigration status that allows Franchisee and/or such owners to live and work in the United States.

Provision	Section In Franchise Agreement	Summary
i. Franchisee's obligations on termination / non-renewal	16.1	Upon termination or expiration of the Franchise Agreement, your obligations include: (i) immediately cease all operations of the Franchised Business; (ii) immediately pay all amounts owed to us, our affiliates and our major suppliers and vendors; (iii) immediately discontinue using the Proprietary Marks; (iv) immediately cease using the Business Management and Technology System and Operations Manual, and within 10 days return all proprietary and confidential materials; (v) immediately cease use of all telephone and facsimile numbers and related listings, as well as any permitted domain names and/or social media pages that were used in connection with the Franchised Business (collectively, the "Assigned Property") and take all necessary steps to assign the Assigned Property to us or our designee; (vi) immediately de-identify and vacate the premises of the Franchised Business and arrange for transfer of the lease, if applicable; (vii) within 10 days, return all stationery, printed matter, signs, advertising materials, supplies and other items containing our Proprietary Marks and trade dress; (viii) cease holding yourself or the Franchised Business out as part of our System; (ix) cease all contact with Franchised Business customers; (x) take all actions necessary to amend or cancel any assumed name, business name or equivalent registration that contains any trade name or Proprietary Mark, and furnish evidence to us that you have complied with this obligation within 15 days; (xi) permit us to make a final inspection of your financial records, books and other accounting records within 2 years of the termination/expiration or transfer of your Franchise Agreement; (xii) comply with your post-term restrictive covenants set forth in Section 17 of the Franchise Agreement; (xiii) cease using any methods, procedures or techniques associated with us or the System in advertising or any other manner; (xiv) de-identify all vehicles used in connection with the Franchised Business; (xv) execute from time to time any necessary papers, documents, and assurances to effectuate Section 16 of the Franchise Agreement; (xvi) provide us with any social media account information and access thereto; (xvii) reimburse us for any costs that we incur in enforcing your obligations under Section 16 of the Franchise Agreement.
j. Assignment of contract by Franchisor	14.5	There are no restrictions on our right to sell, transfer or assign the Franchise Agreement.
k. "Transfer" by franchisee - defined	14.1	"Transfer" as a verb means to sell, assign, give away, transfer, pledge, mortgage or encumber, voluntarily, involuntarily, or by operation of law (such as through divorce or bankruptcy proceedings), any interest in the Franchise Agreement, the Franchised Business, substantially all the assets of the Franchised Business, or in the ownership of the Franchised Business (if you are an entity). "Transfer" as a noun means any sale, assignment, gift, transfer, pledge, mortgage or encumbrance.

Provision	Section In Franchise Agreement	Summary
l. Franchisor approval of transfer by franchisee	14.1	Any transfer requires our prior written consent and a general release. Franchisor will not unreasonably withhold, condition, or delay a request to transfer by Franchisee.
	14.4	If you are an individual and desire to assign your rights under the Franchise Agreement to a corporation or limited liability company, and if certain conditions are met, we will consent to the transfer without assessing a transfer fee, and such assignment will not be subject to our right of first refusal.
m. Conditions for franchisor approval of transfer	14.3.2	Our approval of a proposed transfer is conditioned upon the satisfaction of the following conditions, as applicable: (i) all of your accrued monetary obligations to us, our affiliates, suppliers and vendors have been paid; (ii) you have cured all existing defaults under the Franchise Agreement and any other agreement with us our affiliates and designated/Approved Suppliers and vendors within the time period permitted for cure, and have substantially complied with these agreements during their respective terms; (iii) you and your principals and the transferee (if it had any prior relationship with us or our affiliates) must execute a general release under seal of any and all claims against us and our affiliates (including our officers, directors, shareholders and employees, in their corporate and individual capacities) in the form we prescribe; (iv) transferor and transferee must execute a mutual general release, relieving all claims against each other provided, however, the general release shall not be inconsistent with any applicable state statute regulating franchising; (v) you or the transferee must provide us with a copy of the executed purchase agreement for the Franchised Business, as well as all other documents relevant to the transaction; (vi) transferee must satisfactorily demonstrate to us that it meets our educational, managerial and business standards to operate the Franchised Business; (vii) transferee must either execute our then-current form of franchise agreement, which may contain materially different terms than your Franchise Agreement, and assume a full term as set forth in the then-current form of franchise agreement for new franchisees; or, at our option, enter into an assignment and assumption of the Franchised Business and all rights and obligations thereunder; (viii) you must pay us our transfer and training fees; (ix) transferee must satisfactorily complete our Initial Training Program at its own expense within the time frame we designate; (x) you, your principals and members of their respective families must comply with the post-termination provisions of the Franchise Agreement; (xi) transferee must obtain and maintain all permits and licenses required for the operation of the Franchised Business within the time limits we set; (xii) if you are operating from a leased location, the lessor of that location must approve the assignment of the lease to the transferee; (xiii) the transfer must comply with any state and federal laws that apply to the transfer; (xiv) you must ensure that all projects in progress at the time of the transfer will be continued without interruption, and the transferee must promptly notify all current customers of the change in ownership; (xv) the purchase price and terms of transfer must not be overly burdensome to transferee; (xvi)

Provision	Section In Franchise Agreement	Summary
		you must request that we provide the transferee with our current form of Franchise Disclosure Document; (xvii) our approval of your transfer does not constitute a waiver of any claims we might have against you; and (xviii) we may disclose to any prospective transferee financial information concerning you and your Franchised Business which you have supplied to us under the Franchise Agreement.
	14.4	You do not need to pay a transfer fee if you are an individual and you wish to transfer the Franchise Agreement to a corporation or limited liability company, provided the following conditions are met: (i) the business entity is newly organized and its activities are confined to operating the Franchised Business; (ii) you remain, at all times, the owner of at least 51% of the outstanding shares of the entity; (iii) the entity agrees to assume all of your obligations under the Franchise Agreement; (iv) all stockholders of the corporation, or members and managers of the limited liability company must execute our prescribed form of personal guaranty; (v) at our request, you must provide true and correct copies of all documents and contracts governing the rights, obligations and powers of the owners. If you are a partnership, corporation or limited liability company, you and your principals, and the transferee (if it has had any previous relationship with us or our affiliates), must execute a general release. If we approve a Transfer to allow ownership by an ESOP, trust or private equity firm, there may be additional requirements.
n. Franchisor's right of first refusal to acquire franchisee's business	14.3.1	We have the right to match any bona fide third-party offer to buy your franchise rights, assets or controlling interest that is the subject of a proposed Transfer (other than a Transfer from an individual franchisee to a business entity as described in Section 14.4 of the Franchise Agreement). We may exercise this right of first refusal within 30 days of the date you provide us with a copy of the third-party offer and any other information that we request. If we do not exercise this option, you must complete the Transfer to the third-party within 120 days, subject to the conditions set forth in Section 14.3.2 of the Franchise Agreement. Otherwise, we will once again have our right of first refusal.
o. Franchisor's option to purchase franchisee's business	16.2 and 16.3	Upon your termination, we or our designee may purchase personal property used in connection with the operation of the Franchised Business by: (i) providing you with notice of our election to do so within 60 calendar days of the expiration/termination of your Franchise Agreement; and (ii) paying you the fair market value for such personal property within 60 days of providing you with this notice. The assumption of any debt or lease obligations on personal property is deemed a credit towards purchase at fair market value.
p. Death or disability of franchisee	14.2.1	In the event of Franchisee's death, disability or incapacitation (or the death, disability or incapacitation of Franchisee's partners or personal guarantors), Franchisee's legal representative, or Franchisee's partner's or guarantor's respective legal representative, as applicable, will have the right to continue the operation of the Franchised Business as franchisee under this Agreement if: (i) within 180 days from the date of death, disability or incapacity (the "180-

Provision	Section In Franchise Agreement	Summary
	14.2.2	Day Period"), such person: (a) meets Franchisor's then-current standards to become a franchisee, as described in Section 14.3.2.6; and (b) has obtained Franchisor's prior written approval and has executed Franchisor's then-current franchise agreement for the unexpired term of the franchise, or has furnished a personal guaranty of any partnership, corporation or limited liability company guarantying franchisee's obligations to Franchisor and Franchisor's affiliates; and (ii) such person successfully completes Franchisor's training program (which Franchisor will provide at Franchisor's then-current tuition rate). Such assignment by operation of law will not be deemed in violation of this Agreement, provided such heirs or legatees accept the conditions imposed by the Franchise Agreement and are acceptable to Franchisor. However, in the case of a transfer by demise or inheritance, if the heirs or beneficiaries of any deceased person are unable to meet the conditions contained in this Agreement, the personal representative of the deceased Franchisee will have up to 180 days from the date or transfer by demise or inheritance, to dispose of the deceased's interest in the Franchised Business, and such disposition will be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of in the manner and time frame provided in the immediately preceding sentence, then Franchisor may terminate this Agreement. We may, but are not obligated to, operate the Franchised Business during the 180-day period following the death/incapacity/disability, and we may pay ourselves our then-current fee to reimburse us for providing management services and our other costs.
q. Non-competition covenants during the term of the franchise	17.1	During the term of the Franchise Agreement, neither you, nor your owners, officers, directors, principals, nor any member of the their immediate families may directly or indirectly: (a) own, maintain, engage in, be employed as an officer, director or principal of, lend money to, extend credit to, or have any interest in any other business that, directly or indirectly, by itself or through licensees or franchisees, offers any products and/or services authorized or offered for sale by System franchisees (a "Competitive Business") within the Designated Territory or the Designated Territory of any other System franchisee, provided that Section 17.1.1 of the Franchise Agreement does not apply to: (i) such person's ownership of a Franchised Business under a Franchise Agreement with us; or (ii) such person's ownership of a less than 5% legal or beneficial interest in any publicly-traded company providing such services; or (b) solicit any current, former or prospective customer solicited by your Franchised Business or any other customer that you become aware of as a result of access to our System or other franchisees for any competitive purpose.

Provision	Section In Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	17.2	For a period of 2 years after the expiration, transfer or termination of the Franchise Agreement, regardless of the cause, neither you, your owners, officers, directors, or principals, nor any member of the immediate family of you or your owners, principals, officers, or directors may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation: (1) own, maintain, engage in, be employed as an officer, director or principal of, lend money to, extend credit to, or have any interest in any Competitive Business: (a) within the Designated Territory; (b) within a 25-mile radius of the Designated Territory of any other Franchised Business; or (c) within a 25-mile radius of any other System business operated by us or our affiliate. This covenant does not apply to: (i) your ownership of a Franchised Business under a Franchise Agreement with us; or (ii) your ownership of a less than 5% legal or beneficial interest in any publicly traded company providing services the same as or similar to a Competitive Business; or (2) solicit any current, former or prospective customer solicited by your Franchised Business, or any other customer that you have become aware of as a result of access to our System and other franchisees for any competitive purpose.
s. Modification of the agreement	22.1	The Franchise Agreement may not be modified except by a written agreement that both of us sign.
t. Integration/ merger clause	22.1	Only the terms of the Franchise Agreement and the Franchise Disclosure Document are binding (subject to state law). Any representations or promises made outside of the Franchise Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations we made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	18.2	Any claim or dispute of any type whatsoever involving you and us, whether or not arising out of the Franchise Agreement ("Dispute") will be processed in the following manner, except as expressly provided in Section 18.3.1 of the Franchise Agreement. You must first bring any claim or dispute between you and us to our management, after providing notice. You must exhaust this internal dispute resolution procedure before you may bring your Dispute before a third party that has a minimum of 7 years' substantive experience in franchise law.
	18.3	If you and we are unable to resolve a Dispute using the internal dispute resolution procedure, then Disputes must be submitted first to non-binding mediation in Mecklenburg County, North Carolina under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. The mediation will be conducted by 1 mediator with at least 7 years of substantive experience in franchise law who will be appointed under the AAA's Commercial Mediation Rules and who will conduct the mediation in accordance with such rules. Mediation must be conducted on an individual, not a class-wide, basis. Statements made by us, you or any other party in any such

Provision	Section In Franchise Agreement	Summary
	18.3.1	mediation proceeding will not be admissible in any arbitration or other legal proceeding. If the mediation is unsuccessful in resolving the dispute, then, subject to the exclusions set forth in Section 18.3.1 of the Franchise Agreement, all Disputes must be submitted to binding arbitration before 1 arbitrator of the AAA in accordance with its commercial arbitration rules. The arbitration will be conducted by one arbitrator with at least 7 years of substantive experience in franchise law who will be appointed under the AAA's Commercial Arbitration Rules and who will conduct the arbitration in accordance with such rules. Each party shall bear its own cost of mediation and arbitration and we and you shall share mediation costs equally. This agreement to mediate and arbitrate shall survive any termination or expiration of the Franchise Agreement. The parties shall not be required to first attempt to mediate or arbitrate a controversy, Dispute or claim through mediation if such controversy, Dispute or claim relates to an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information; (ii) any claims pertaining to or arising out of any warranty issue; (iii) any of the restrictive covenants contained in the Franchise Agreement; (iv) any of your payment obligations that are more than 45 days past due; (v) any claims arising out of or related to fraud or misrepresentation by you, or your insolvency; (vi) any claims relating to your obligations on termination or expiration of the Franchise Agreement; (vii) any claims relating to any Transfer of an interest in you, the Franchised Business or your assets; or (viii) any matters involving danger, health or safety. Dispute resolution requirements are subject to applicable state law.
v. Choice of forum	18.4	All claims not subject to mediation and/or arbitration must only be brought in a competent court of general jurisdiction located in Mecklenburg County, North Carolina or, if appropriate, the United States District Court for the Western District of North Carolina (subject to applicable state law).
w. Choice of law	18.1	North Carolina law governs all claims arising out of the Franchise Agreement, without reference to its conflict of laws provision (subject to applicable state law).

ITEM 18
PUBLIC FIGURES

We do not currently use any public figure to promote our System.

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, and/or affiliate-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) 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.

The Affiliate-Owned Location has been in operation since 2022, and the Franchisee location has been in operation since 2023. Both use a system of operations substantially similar to the ROOF SCIENTIST℠ System and upon which the ROOF SCIENTIST℠ System is based. The Franchisee location and Affiliate-Owned Location currently operate under our predecessor's trademark – Innovative Roof Solutions – and neither have converted its branding to ROOF SCIENTIST℠ as of the date of this disclosure document. The information in this Item has not been audited, is based on historical financial data provided to us by the Affiliate-Owned Location and the Franchisee location. The Affiliate-Owned Location is not subject to the franchise fees relating to royalties and advertising (including mandatory minimum advertising spend requirements), and neither the Affiliate-Owned Location nor the Franchisee are currently subject to a Technology Fee, Marketing Technology Fee, Call Center Fee, Bookkeeping Fees, or the Annual Conference Fee. The royalty rate for Innovative Roof Solutions is 9% of Gross Revenue which is higher than the 7%-5% royalty rate for ROOF SCIENTIST. Other than as described above there are no other material financial or operational differences between the Affiliate-Owned Location and Franchisee location and franchise outlets that will be operated under the ROOF SCIENTIST brand.

Part I of this Item sets forth certain Gross Revenue, Gross Profit, expenses, and other estimated fees for the franchisee Location that operated the full 12 months during 2024, from January 1, 2024 – December 31, 2024 (the "2024 Measurement Period"). There were two franchisees that did not operate or perform services during 2024.

Part II of this Item discloses customer project level data for the Franchisee Owned Location in Fox Valley, Wisconsin for the period January 1, 2024, through December 31, 2024. This data was reported to us by the Franchisee and is not audited.

Part III of this Item discloses customer project level data for the Affiliate Owned Location in Milwaukee, Wisconsin for the period January 1, 2024, through December 31, 2024. This data was reported to us by the Affiliate-Owned Location and is not audited.

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

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PART I

GROSS REVENUE, GROSS PROFIT, EXPENSES, ESTIMATED FEES, AND ADJUSTED PROFIT GENERATED BY THE REPORTED FRANCHISEE LOCATIONS DURING THE 2024 MEASUREMENT PERIOD

Gross Revenues & Other Income	$	525,961	100.0%
Labor & Services	$	13,409	2.5%
Materials & Job Supplies	$	158,496	30.1%
Total Cost of Goods Sold	$	171,906	32.7%
Gross Profit	$	371,745	70.7%
Marketing & Advertising	$	36,000	6.8%
Royalty Fee	$	36,817	7.0%
Brand Fund Contribution	$	10,519	2.0%
Technology Fee	$	10,200	1.9%
Marketing Technology Fee	$	15,012	2.9%
Insurance	$	17,870	3.4%
Legal & Professional Fees	$	4,027	0.8%
License & Permits	$	221	0.0%
Merchant & Bank Services	$	437	0.1%
Office Supplies	$	732	0.1%
Rent & Lease of Building	$	41,786	7.9%
Utilities, Internet, Cable, Phone	$	6,339	1.2%
Vehicle Expense	$	13,605	2.6%
Total Disclosed Expenses	$	193,566	36.8%
Adjusted Net Income	$	178,179	33.9%

1. The data in the above table includes data from one of the three franchisees in the Innovative Roof Solutions franchise system (our predecessor). The other two franchisees did not operate or perform services in 2024. The Franchisee operates in a territory that is equivalent to 2 territories or approximately 160,000 Households.
2. Income: Includes Cericade and Related Softwashing. Does not include Roof Repair or Replacement, as this location did not perform those services in 2024.
3. Labor & Services - Owner performed work, but did have labor assist. Part II of this Item will show more detail on Labor Costs associated with Jobs.
4. Materials & Job Supplies - Supplies & Materials, Equipment for jobs, Frieight & Shipping of Product.
5. LAR - Wasn't met with this Franchisee, so this is adjusted to Minimum Local Advertising Dollars. Their actual spend was $19,967 in Advertising & Promotion in 2024.
6. Royalty - Was previously under a different arrangement in 2024: Adjusted to 7% of Revenue.
7. Brand Fund - Was previously under a different arrangement in 2024: Adjusted to 2% of Revenue.
8. Technology Fee - Was previously under a different arrangement in 2024: Adjusted to current Structure.
9. Marketing Technology Fee - Was previously under a different arrangement in 2024: Adjusted to current Structure.
10. Insurance - Noted as General Liability insurance.
11. Legal & Professional Fees - Includes Bookeeping & Legal Services.

12. Vehicle Expense: Fuel & Maintenance.
13. Adjustments:
    a. Amortization Expense: $7,686
    b. Interest Expense: $39,043
    c. Owners Meals: $717
    d. Owners Wages & Burden: $99,570 (includes owners and family members who work in the business)
    e. Owners Apparel: $204
    f. CAPEX, small tools: $2,011
    g. Other Income: omitted other misc. income, interest earned, cash back rewards: $1,388
    h. Other Expense: continuing education $2,893 and Depreciation of $49,548

PART II

Franchisee Key Project Data				
	Max	Min	Median	Average
Square Foot Size of Project	40,300	1,251	2,784	5,445
Ticket Size	$146,127	$6,050	$11,000	$23,213
Material Cost as % of Ticket Size	33.90%	20.49%	30.73%	29.43%
Labor Cost as % of Ticket Size	6.25%	3.67%	5.50%	5.28%
Profit Margin as % of Ticket Size	75.85%	60.03%	63.77%	65.29%

The data in the above table includes data from one of the three franchisees in the Innovative Roof Solutions franchise system (our predecessor). The other two franchisees did not operate or perform services in 2024. The Franchisee operates in a territory that is equivalent to 2 territories or approximately 160,000 Households.

The data in the above table includes 21 projects where the franchisee performed the proprietary roof coating application service. Projects that only included roof repair, roof replacement, or other permitted services are not included in the above table.

Of the 21 jobs, (1) two had square feet higher than the average with the remaining 19 jobs lower than the average; and (2) three had average tickets higher than the average with the remaining 18 jobs lower than the average. Project labor listed in the above table does not include the value of labor performed by the owner, who self-performed labor for the listed project set. Labor costs will be higher if labor is hired to perform services.

PART III

Affiliate-Owned Key Project Data				
	Max	Min	Median	Average
Square Foot Size of Project	5,435	500	2,230	2,307
Ticket Size	$27,255	$2,250	$10,350	$10,973
Material Cost as % of Ticket Size	28.08%	8.18%	14.78%	17.19%
Labor Cost as % of Ticket Size	30.12%	14.29%	19.15%	19.81%
Profit Margin as % of Ticket Size	77.25%	49.40%	63.96%	63.03%

The data in the above table includes 37 projects where the Affiliate-Owned Location performed the proprietary roof coating application service. Projects that only included roof repair, roof replacement, or

other permitted services are not included in the above table. The Affiliate-Owned Location operates in a territory that is equivalent to 4 territories or approximately 320,000 Households.

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

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing Franchised Business, however, we may provide you with the actual records of that Franchised Business. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting our Chief Growth Officer, Zack Dudan, at 107 Parr Drive, Huntersville, NC 28078, (980) 441-1121, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	3	3	+3
	2024	3	3	0
Company-Owned	2022	0	1	+1
	2023	1	1	0
	2024	1	1	0
Total Outlets*	**2022**	**0**	**1**	**+1**
	2023	**4**	**4**	**+3**
	2024	**4**	**4**	**0**

* The Outlets in the chart above currently operate under the Innovative Roof Solutions brand. The "company-owned outlet" is owned and operated by an affiliate of our predecessor (IRS) and that affiliate is owned by one of our minority owners.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor)
For Years 2022 to 2024

State	Year	Number of Transfers
TOTAL	**2022**	**0**
	2023	**0**
	2024	**0**

Table No. 3
Status of Franchised Outlets
For Years 2022 to 2024

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Arkansas	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Wisconsin	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2
TOTAL	**2022**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**3**	**0**	**0**	**0**	**0**	**3**
	2024	**3**	**0**	**0**	**0**	**0**	**0**	**3**

Table No. 4
Status of Company-Owned Outlets
For Years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Re-acquired From Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Wisconsin	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
TOTAL	**2022**	**0**	**1**	**0**	**0**	**0**	**1**
	2023	**1**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**1**

Table No. 5
Projected Openings As Of
December 31, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Current Fiscal Year
TOTAL	**0**	**0**	**0**

The names of all current franchisees and the address and telephone number of each of their outlets is included in Exhibit L.

The name, city and state, and current business telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date is included in Exhibit L.

In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with the System, but none have done so within the last three fiscal years. You may wish to speak to current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are no franchise organizations sponsored or endorsed by us, and no independent franchisee organizations required to be included in this Franchise Disclosure Document.

There are no trademark-specific organizations formed by our franchisees that are associated with our System. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit J to this Franchise Disclosure Document is our audited opening balance sheet as of December 31, 2024. We have not been in business for three years or more, and therefore cannot include the same financial statements as a franchisor that has been in business for three or more years. Our fiscal year end is December 31st.

ITEM 22
CONTRACTS

Attached to this Franchise Disclosure Document are the following contracts and their attachments:

Exhibit B	Franchise Agreement and Schedules
Exhibit C	Statement of Ownership
Exhibit D	Confidentiality and Restrictive Covenant
Exhibit E	Electronic Funds Withdrawal Authorization
Exhibit F	Multi-Unit Addendum
Exhibit G	Sample Assignment and Assumption Agreement
Exhibit H	Sample General Release
Exhibit I	State Specific Addenda
Exhibit M	Diligence Review of Franchisee Sales Process

ITEM 23
RECEIPTS

Exhibit O of this Franchise Disclosure Document contains a detachable document, in duplicate, acknowledging receipt of this Franchise Disclosure Document by a prospective franchisee. You should sign both copies of the Receipt. You should retain one signed copy for your records and return the other signed copy to HFB RoofCo Franchising, LLC, 107 Parr Drive, Huntersville, North Carolina 28078.

Exhibit A
to FDD
HFB RoofCo Franchising, LLC

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

LIST OF STATE ADMINISTRATORS	
CALIFORNIA Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll Free (866) 275-2677 (agents for service of process) California Commissioner of the Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344	**CONNECTICUT** (state administrator) State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230 (agent for service of process) Banking Commissioner
HAWAII (state administrator) Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 (agent for service of process) Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**ILLINOIS** Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465

LIST OF STATE ADMINISTRATORS	
INDIANA (state administrator) Indiana Securities Commissioner Securities Division 302 Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681 (agent for service of process) Indiana Secretary of State 302 Washington Street, Room E-018 Indianapolis, Indiana 46204 (317) 232-6531	**MARYLAND** (state administrator) Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360 (agent for service of process) Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN (state administrator) Michigan Department of Attorney General Consumer Protection Division 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117 (agent for service of process) Michigan Department of Attorney General Consumer Protection Division 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117	**MINNESOTA** (state administrator) Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600 (agent for service of process) Minnesota Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600
NEW YORK (state administrator) NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st FL New York, NY 10005 212-416-8222 (agent for service of process) New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 (518) 473-2492	**NORTH DAKOTA** Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capitol, 14th Floor, Dept. 414 Bismarck, North Dakota 58505 (701) 328-4712

LIST OF STATE ADMINISTRATORS	
OREGON Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	**RHODE ISLAND** Director, Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Center - Bldg. 68-2 Cranston, Rhode Island 02920 (401) 462-9582
SOUTH DAKOTA Department of Labor and Regulation Division of Insurance - Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	**VIRGINIA** (state administrator) State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051 (for service of process) Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
WASHINGTON (state administrator) Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98504-1200 (360) 902-8760 (agent for service of process) Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501 (360) 902-8760	**WISCONSIN** (state administrator) Commissioner of Securities Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-1064 (agent for service of process) Commissioner of Securities Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705

Exhibit B
to FDD
HFB RoofCo Franchising, LLC

FRANCHISE AGREEMENT

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EXHIBIT B

ROOF SCIENTIST™

HFB ROOFCO FRANCHISING, LLC

FRANCHISE AGREEMENT

Franchise #: _____

Franchisee: _____

Date: _____

Designated Territory: See Map and list of zip codes on the Data Sheet to this Franchise Agreement

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EXHIBITS:

Exhibit A Personal Guaranty and Guaranty of Spouses

ROOF SCIENTIST™

DATA SHEET

Franchisee: _____

_____

Guarantors: _____

_____

Effective Date: _____

Approved Location: _____

Designated Territory: See Map and List of Zip Codes on the Following Page

Telephone Number: _____

_____

Email Address: _____

_____

Initial Franchise Fee: _____

Opening Assistance Fee: _____

Multi-Unit Addendum: ☐ Yes ☐ No

Territory Map and Zip Codes – the "Designated Territory"

[insert map and list of zip codes]

In the event of a conflict between the map and zip codes, the zip codes control.

The terms of this Data Sheet are incorporated into the attached Franchise Agreement.

HFB RoofCo Franchising, LLC
FRANCHISE AGREEMENT

This FRANCHISE AGREEMENT (the "Agreement" or "Franchise Agreement") is entered into and made effective on _____, 20_____ (the "Effective Date"), by and between: HFB RoofCo Franchising, LLC, a North Carolina limited liability company, with its principal place of business at 107 Parr Drive, Huntersville, North Carolina 28078 ("Franchisor"); and _____ _____, a(n) _____ with its principal place of business at _____, which is identified more fully in the attached Data Sheet ("Franchisee").

RECITALS

A. Through the expenditure of a considerable amount of time, effort and money, Franchisor has developed a system for the operation of franchised businesses under its then-current proprietary marks – currently "Roof Scientist™" (each, a "Franchised Business(es)") that specializes in repairing, restoring, and replacing residential and commercial roofs, including sales and installation of proprietary roof coatings, and any services that Franchisor may later designate (collectively, the "Approved Services").

B. Franchised Businesses are established and operated using Franchisor's proprietary operating system, the distinguishing characteristics of which include: (i) valuable know-how, information, trade secrets and methods; (ii) Franchisor's proprietary standards and specifications for certain products and services used in connection with providing Franchisor's Approved Products and Approved Services to customers; (iii) certain proprietary products developed by Franchisor (the "Approved Products"); (iv) Franchisor's standards and specifications for sales techniques, marketing and advertising programs, and call center; (v) Franchisor's proprietary, centralized system-wide call center; (vi) proprietary initial and ongoing training programs; and (vii) standards and specifications for operating the Franchised Business in the manner set forth in this Agreement and Franchisor's proprietary and confidential Operations Manual (defined in Section 6.1) that franchisees have access to, which may be modified from time to time by Franchisor (collectively, the "System").

C. The System is identified by Franchisor's proprietary trademarks, service marks, trade dress, logos and other indicia of origin (collectively, the "Proprietary Marks"). The rights to all such Proprietary Marks as are now, or shall hereafter be, designated as part of the System will be owned exclusively by Franchisor or its affiliates and be used for the benefit of Franchisor, its affiliates, and Franchisor's franchisees to identify to the public the source of the products and services marketed thereunder. Franchisor may continue to develop, expand, use, control, and add to the Proprietary Marks and System for the benefit of itself, its affiliates, and its franchisees and licensees in order to identify for the public the source of products and services marketed thereunder and to represent the System's high standards of quality and service. For purposes of this Franchise Agreement Franchisor affiliates means DDL Investments, Inc., National Account Services Company, LLC, Bold Future Payment Services, LLC, HFB Holdco, LLC, franchisors and other companies majority owned by HFB HoldCo, LLC, and each of their subsidiaries or parents.

D. Franchisor offers franchises for the development and operation of Franchised Businesses to be operated and promoted within a designated geographical territory identified on the Data Sheet (the "Designated Territory").

E. Franchisee desires to establish and operate a Franchised Business within the Designated Territory hereinafter designated, to use in connection therewith, Franchisor's System and the Proprietary

Marks and to derive the benefits of Franchisor's information, experience, advice, guidance and customer goodwill.

F. Franchisor desires to grant Franchisee the right to open and operate a Franchised Business based on Franchisee's representations to Franchisor, including those representations set forth in Franchisee's franchise application, in accordance with the terms and conditions set forth in this Agreement.

G. Franchisee recognizes the importance to Franchisor, to its other franchisees, and to the public of maintaining the integrity, standards, qualities and attributes of products and services associated with the Proprietary Marks and System, and is willing to adhere to certain uniform standards, procedures and policies to maintain such integrity, standards, qualities and attributes.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, commitments and understandings contained herein, Franchisor and Franchisee hereby agree as follows:

1. GRANT OF FRANCHISE

1.1 **Grant and Acceptance**. Franchisor hereby grants to Franchisee, upon the express terms and conditions contained in this Agreement, and Franchisee hereby accepts, a non-exclusive license to establish and operate 1 Franchised Business under the System and Proprietary Marks identified below, and the right to use the System and Proprietary Marks in the operation of the Franchised Business. Except as otherwise provided in this Agreement, Franchisee may offer and sell only Franchisor's Approved Products and Approved Services within the Designated Territory set forth in Section 1.2 of this Agreement and the Data Sheet. Franchisee must request permission to provide additional/new Products and Approved Services from Franchisor, which permission Franchisor may grant, deny, or condition in its sole discretion. In addition, Franchisee may provide Franchisor's Approved Products and Approved Services in adjacent territories (as those are determined by Franchisor) if permitted by and subject to the terms and conditions set forth in the Operations Manual (defined in Section 6.1). Franchisee acknowledges and agrees that this Agreement does not grant Franchisee the option or right to purchase additional Franchised Businesses and/or additional designated territories.

1.1.1 **System Updates**. Franchisee agrees that it is critical for Franchisee, franchisor and other franchisees that the System is flexible to respond to commercial opportunities and challenges. An inability to change the System could adversely affect all franchisees. Therefore, Franchisee agrees and anticipates that the Operations Manual and the System may be changed by Franchisor, from time to time in our Business Judgment. Franchisee agrees to comply with the specifications and standards set forth in the Operations Manual and that make up the System as they are changed by Franchisor. Therefore, additional services may be added in our Business Judgment upon notice to Franchisee. The Royalty Fee and/or Brand Fund Fee for new services may be higher or lower than the Royalty Fee and/or Brand Fund Fee for existing approved services subject to a cap on the aggregate Royalty Fee/Brand Fund Fee of an additional 3% of Gross Revenue over the then current rates. Any added products or services that Franchisee performed prior to the addition of such products or services to the definition of Approved Products or Approved Services permitted will be subject to the then current Royalty Fees, Brand Fund fees, and Local Advertising Requirement chosen for the newly Approved Products and Approved Services. Franchisor may, but is not required to, provide a ramp-up schedule for application of fees to new service areas. Franchisee will have a period of up to 6 months to complete an upgrade or add a new service as determined in our Business Judgment. If Franchisee has commenced operations within 6 months of the date of the notice from Franchisor, then Franchisee will have a period of up to 12 months as determined in our Business Judgment, from the date of the notice from Franchisor to complete the upgrade or add a new service. However, in any case, Franchisee is not obligated to complete such upgrade or add a new service if (a) the notice from Franchisor is delivered to Franchisee within 6 months before the end of the Term of this Agreement, and

either (b) Franchisor does not offer an extension or renewal under this Agreement, or (c) Franchisee provides notice of its intent not to renew. Franchisor may remove Approved Products or Approved Services in our Business Judgment upon notice to Franchisee. Franchisee will have up to 6 months to cease providing services that are no longer approved, unless Franchisor specifies otherwise in its sole discretion, in which case the period to cease providing services may be immediate or such longer period as Franchisor deems appropriate in its sole discretion.

1.2 **Designated Territory**. Except as otherwise provided in this Agreement (and the Operations Manual (defined in Section 6.1)) and for so long as Franchisee is not in default of this Agreement, Franchisor shall not establish and operate, nor license any other third party the right to establish and operate, any Franchised Business under the System and the Proprietary Marks within the Designated Territory during the term of this Agreement. Franchisor and its affiliates retain all other rights, including, without limitation, those rights set forth in Sections 1.4 through 1.8 of this Agreement. Franchisee is permitted to conduct the Franchised Business outside of the Designated Territory in adjacent open territory (i.e., not the Designated Territory of another franchisee) if Franchisee receives Franchisor's prior written consent, and in compliance with our then current Adjacent Territory Policy (described in the Operations Manual). The Adjacent Territory Policy is subject to modification or elimination by a change to the Operations Manual. Franchisee may not operate within another franchisee's Designated Territory, except for certain limited circumstances, if any, that are more fully set forth in the Operations Manual, and other franchisees may operate in Franchisee's Designated Territory, in limited circumstances, if any, as set forth in the Operations Manual. Other than these operations, Franchisee is not permitted to operate or market the Franchised Business outside of the Designated Territory without Franchisor's prior written consent. All sales and other activities conducted within or outside the Designated Territory must be conducted in accordance with the terms of this Agreement and the Operations Manual (defined in Section 6.1).

1.3 **Approved Location**. Franchisee must operate the Franchised Business from a location that is approved by Franchisor and meets Franchisor's standards and specifications (the "Approved Location"). Upon opening, Franchisee may operate the Franchised Business from a home office and/or storage facility that is approved by us and otherwise meets our standards and specifications with our approval. The Approved Location must include an office and storage space for equipment and inventory. The Approved Location must typically include between 30 and 60 square feet of office space, 100 to 200 square feet of storage space (which must have electric and water service), and must provide parking for a truck and trailer. Starting in month 13 and after we recommend and may require that the Approved Location be expanded to a total of 1,500 square feet. Franchisor may provide Franchisee with standards and specifications for the design and layout of the premises of the Approved Location, and Franchisor must review and approve any proposed location, as well as any lease associated with the proposed location, prior to Franchisee entering into any lease for the proposed location. If Franchisor has not approved a location from which Franchisee must operate the Franchised Business as of the date Franchisee signs this Agreement, the parties will follow the obligations set forth in Section 7.1 of this Franchise Agreement. Franchisee may not relocate the Franchised Business without Franchisor's prior written consent.

1.4 **National Accounts**. Franchisor will have the exclusive right, on behalf of itself, its affiliate(s), Franchisee, and/or other franchisees utilizing the Proprietary Marks, to negotiate and enter into agreements or approve forms of agreement to provide services to "National Accounts," (defined in Section 1.4.1), including National Accounts that Franchisee has solicited or serviced. Franchisee may not solicit any National Accounts outside of the Designated Territory, or solicit any National Accounts within or outside of the Designated Territory who are already under contract with Franchisor.

1.4.1 The term "National Account" means any business or businesses under common control, ownership, or branding which operate locations in, or deliver products and services beyond one designated territory, regardless of the volume of products and/or services to be purchased by the customer.

Any dispute as to whether a particular customer is a National Account will be determined by Franchisor, in its sole discretion, and Franchisor's determination will be final and binding.

1.4.2 Franchisee may choose to participate in the National Accounts program ("National Accounts Program") to service National Accounts for which the ultimate client of the National Account is located in the Designated Territory consistent with the then-current National Accounts Program Participation Agreement. Franchisee acknowledges and agrees that Franchisor or a third party service provider Franchisor designates may begin servicing National Accounts in the Designated Territory if: (i) Franchisor believes that Franchisee is not meeting Franchisor's standards and specifications applicable to the National Accounts Franchisee is servicing or the National Accounts Program generally; (ii) Franchisor believes that Franchisee is in default of this Agreement; (iii) the National Account has requested that Franchisor or a third party it selects service its clients; (iv) Franchisee is not then participating in the National Accounts Program (or is not eligible to participate in the National Accounts Program); (v) Franchisee does not offer or is not authorized by Franchisor or the applicable licensing authority to offer the service to be provided; or (vi) Franchisee refuses to service the National Account.

1.4.3 Franchisee agrees that neither the direct provision by Franchisor or a franchisee, licensee, or designee of Franchisor of services to National Account customers as authorized above, nor Franchisor's contracting with another party to provide such services as authorized above, shall constitute a violation of the grant of license contained in this Agreement or any other provision of this Agreement, even if such services are delivered from a location within the Designated Territory. Franchisee disclaims any right to compensation or consideration for work performed by others in the Designated Territory pursuant to this Section.

1.4.4 Franchisor has the right to discontinue or terminate a National Account or the entire National Accounts Program. Franchisor may impose any restrictions and/or requirements as a condition to Franchisee's acceptance of each National Account. Franchisor reserves the right to charge fees on National Account revenue. These fees, if charged, will be a required condition of participating in our National Accounts Program and these fees are subject to change annually. Franchisor may require Franchisee to conduct thorough background checks on all employees who will service any National Account and may require proof of compliance with this and other requirements at such intervals as Franchisor and/or the National Account dictates.

1.5 **Reservation of Rights**. Franchisee acknowledges that, except as otherwise provided in this Agreement, Franchisee's right to provide the Approved Products and Approved Services, and otherwise use the Proprietary Marks and System within the Designated Territory is non-exclusive, and Franchisor and its affiliates expressly reserve the right to: (i) open and operate, and license others the right to open and operate, Franchised Businesses that offer products and use the Proprietary Marks and System at any location outside of the Designated Territory; (ii) open and operate, and license others the right to open and operate, businesses that offer similar products and services to those offered by the Franchised Business under any other mark at any location, within or outside the Designated Territory; (iii) acquire, merge, or be acquired by, any company, including a company operating one or more businesses near the Franchised Business that offer products and services that are the same or substantially similar to the Approved Products and Approved Services; (iv) exercise its rights under Section 1.6 of this Agreement in the events of catastrophe(s); (v) designate and service National Accounts; (vi) service, route, and/or assign any and all customer work orders and inquiries received through Franchisor's Call Center (defined in Section 6.6) in accordance with this Agreement; and (vii) use the Proprietary Marks and System, and license others to use the Proprietary Marks and System, to engage in any other activities not expressly prohibited in this Agreement.

1.6 **Events of Catastrophe**. Notwithstanding Section 1.4, in the event of a natural disaster or other similar catastrophic situation, as Franchisor determines in its sole discretion, Franchisor, its affiliate(s) and other System franchisees may be permitted to provide support to Franchisee and/or perform work in the Designated Territory, including the provision of labor, materials, equipment, and project management on projects in the Designated Territory, and Franchisee will not be entitled to any proceeds from the provision of these services performed by third parties within the Designated Territory.

1.7 **Alternate Channels of Distribution**. Franchisee acknowledges and agrees that certain of Franchisor's or its affiliates' products and services, whether now existing or developed in the future, may be distributed in Franchisee's Designated Territory by Franchisor, Franchisor's affiliates, or other third parties that Franchisor designates, in such manner and through such channels of distribution as Franchisor, in its sole discretion, shall determine. Such alternate channels of distribution will include, but are not limited to, the sale and distribution of the products and services via the Internet and through joint marketing with partner companies under terms and conditions that Franchisor deems appropriate. Franchisee understands that this Agreement grants Franchisee no rights: (i) to distribute Approved Products and Approved Services as described in this Section; or (ii) to share in any of the proceeds received by any such party therefrom.

1.8 **Right to Service Customers in Designated Territory; Use of Call Center**.

1.8.1 Franchisee must ensure that all initial calls made to the Franchised Business are forwarded to the Call Center, which is part of Franchisor's proprietary Call Center. Once a customer's call is routed to the Call Center and assigned to the Franchised Business, Franchisor will route that customer's work to Franchisee if the customer's location (where the work is to be performed) is within the Designated Territory, unless: (i) Franchisor determines that the work is in the nature of an emergency and: (a) Franchisee does not respond to the assignment within a time period Franchisor deems reasonable, in its sole discretion, appropriate under the circumstances; or (b) Franchisee is not able to perform the required services for the customer within a time period Franchisor deems reasonably appropriate, in its sole discretion; (ii) the work is of such a large scope, complexity and/or commercial nature that Franchisor determines, in its sole discretion, that Franchisee is not capable of performing the work requested in accordance with System standards and specifications and/or the prevailing standard of care in the industry for the type of work requested (in which case Franchisor may route the work order to Franchisee and additional franchisees, or other franchisees, or Franchisor's affiliate, for completion); (iii) the work order is mistakenly routed to another franchisee or affiliate-owned business due to either the customer providing incorrect information to a Call Center representative or an inadvertent error on the part of the Call Center representative when taking the information from the customer; (iv) Franchisee is not operating the Franchised Business in compliance with this Agreement; or (v) Franchisor reasonably determines that a portion of the Designated Territory has been subjected to a disaster or catastrophe.

1.8.2 Franchisee acknowledges and agrees that Franchisor's rights under this Section are necessary to: (i) maintain uniformity across the System and ensure that all work performed under the Proprietary Marks meets Franchisor's System standards for customer service; and (ii) account for inadvertent mistakes by Franchisor's customers and Franchisor's Call Center. Franchisee further acknowledges that it does not have any right to share in the Gross Revenue generated from customers that are serviced within the Designated Territory unless Franchisee is assigned, and subsequently provides services to, such customers.

2. TERM AND RENEWAL

2.1 **Term**. The initial term of the Franchise is for a period of 10 years, which will commence on the Effective Date.

2.2 **Renewal**. Franchisee has the right to renew this Agreement for 1 successive, additional 10-year period, provided Franchisee has met the following conditions:

2.2.1 Franchisee has notified Franchisor of Franchisee's intention to renew this Agreement in writing at least 12 months, and no more than 18 months, prior to expiration of the current term;

2.2.2 Franchisee has demonstrated to Franchisor's satisfaction that Franchisee has the right to operate the Franchised Business at the Approved Location for the duration of the renewal term; or, if Franchisee is unable to operate the Franchised Business at the Approved Location, Franchisee has secured a substitute location within the Designated Territory acceptable to Franchisor;

2.2.3 Franchisee has completed to Franchisor's satisfaction, no later than 90 days prior to the expiration of the then-current term, any updates to all required equipment, supplies, inventory, hardware and software, and vehicles to bring the Franchised Business into full compliance with Franchisor's then-current System standards and specifications, and Franchisee has completed all maintenance, refurbishing, renovating, updating and remodeling of the Franchised Business's Approved Location so that it satisfies Franchisor's then-current standards;

2.2.4 Franchisee is not in breach of any provision of this Agreement, or any other agreement between Franchisee and Franchisor, Franchisor's affiliates, or Franchisor's approved/designated suppliers and vendors, and Franchisee has substantially complied with all such agreements during their respective terms;

2.2.5 Franchisee has satisfied all monetary obligations Franchisee owes Franchisor, Franchisor's affiliates, and Franchisor's approved/designated suppliers and vendors, and has timely met these obligations throughout the term of this Agreement;

2.2.6 Franchisee executes Franchisor's then-current form of franchise agreement, the terms of which may vary materially from the terms of this Agreement (which may include, without limitation, increased royalty and other fees and insurance requirements), at least three (3) months prior to the expiration of this Agreement;

2.2.7 Franchisee satisfies Franchisor's then-current training requirements for renewing franchisees at Franchisee's expense, if any, as of the date of such renewal, and Franchisee has otherwise obtained and maintained all licenses, permits and approvals required by federal and state law applicable to providing the Approved Products and Approved Services at any location within the Designated Territory;

2.2.8 Franchisee and its principals execute a general release in the form Franchisor prescribes;

2.2.9 Franchisor may condition the renewal on resizing the territory into multiple territories consistent with the then current size of territory being sold, which may result in more territories with separate franchise agreements and the requirement for a multi-unit addendum; and

2.2.10 Franchisee pays a renewal fee in the amount of $5,000.

2.3 **Holdover Period**. If this Agreement expires without Franchisee properly exercising its renewal right and Franchisee continues to accept the benefits of this Agreement thereafter, then, at Franchisor's option, Franchisor may treat this Agreement either as: (i) expired as of the date of expiration, with Franchisee then illegally operating a franchise in violation of Franchisor's rights; or (ii) continued on a month-to-month basis (the "Holdover Period") until both parties agree to enter into Franchisor's then-

current form of franchise agreement for a renewal term or until one party provides the other with written notice of termination, in which case the Holdover Period will terminate 30 days after receipt of the notice of termination. In the latter case, all of Franchisee's obligations shall remain in full force and effect during the Holdover Period as if this Agreement had not expired, except that the license fee during the Holdover Period will be increased to 10% of Gross Revenue for all types of products/services and without any reductions. All obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall take effect upon termination of the Holdover Period.

3. FEES AND MANNER OF PAYMENT

3.1 **Initial Franchise Fee**. In consideration of the franchise granted to Franchisee by Franchisor, Franchisee must pay Franchisor a lump sum initial franchise fee set forth on the Data Sheet that is part of this Agreement (the "Initial Franchise Fee"), which is due at the signing of this Agreement and deemed fully earned and non-refundable upon payment, in consideration of administrative and other expenses Franchisor incurs in granting the franchise and for Franchisor's lost or deferred opportunity to franchise to others.

3.2 **Royalty Fee**. Franchisee must pay Franchisor a monthly royalty fee (the "Royalty Fee") deducted on the 10th business day of the following month for the prior month in an amount equal to the greater of: (i) the Royalty Fee (as delineated in Section 3.2.1 below); or (ii) the minimum monthly royalty fee ("Minimum Royalty Fee"), as described in Section 3.2.2 below. We reserve the right to change the interval when you pay the Royalty Fee to us upon notice to you.

3.2.1 *Royalty Fee Structure.* Franchisee's Royalty Fee is calculated as follows:

Monthly Royalty Fee	Gross Revenue for Prior Month
7.0%	$0.00 - $100,000.00
6.0%	$100,000.01 - $300,000.00
5.0%	$300,000.01+

3.2.2 *Minimum Monthly Royalty Fee*. Franchisee's Minimum Monthly Royalty Fee for 1 Designated Territory is based upon the number of months the Franchised Business has been open and operating. Franchisee is considered "open and operating" on the date that Franchisee completes the Initial Training Program (defined in Section 8.1). The Minimum Monthly Royalty Fee is as follows:

Time of Operation	1 Designated Territory
First 3 Months	The Royalty Fee (7%-5% of Gross Revenue)
4 to 12 Months	$300
Second Year	$1,500
Third Year +	$2,000

3.2.3 *Special Programs*. Franchisor reserves the right, but not the obligation, to establish special programs that reward franchisees for meeting certain criteria. In the event Franchisor establishes any special programs, Franchisor will have the right, in Franchisor's sole discretion, to change, modify or dissolve any special programs upon notice to Franchisee.

3.2.4 *Conversion Roll-In Discount for Existing Businesses*. If Franchisee has an existing business that is the same or similar to a Franchised Business with annual gross sales of at least $500,000 and Franchisee agrees to convert the existing business into a Franchised Business, Franchisor will discount Franchisee's Royalty Fee for the initial period of operation. The Royalty Fee will be calculated as follows:

Months of Operation	Royalty Fee
Months 1 - 6	0% of then-current Royalty Fee
Months 7 – 12	50% of then-current Royalty Fee
Months 13+	The then-current Royalty Fee

After the initial 12-month period, Franchisee shall pay the Royalty Fee as set forth in Section 3.2 of this Agreement.

3.3 **Gross Revenue Definition and Reports**. For purposes of this Agreement, "Gross Revenue" is defined to include all income received of any type or nature and from any source that Franchisee derives or receives directly or indirectly from, through, by or on account of the operation of the Franchised Business (whether or not the products/services are approved by the Franchisor) at any time after the signing of the Franchise Agreement, in whatever form and from whatever source, including, but not limited to, cash, services in kind from barter and/or exchange, on credit or otherwise, and convenience, credit card user, or other fees charged to a customer, as well as business interruption insurance proceeds, all without deduction for expenses, including marketing expenses and taxes. Exclusions do not include reductions for financing program fees, credit card convenience fees or user fees, or any other fees charged to a customer. However, the definition of Gross Revenue does not include sales tax that is collected from customers and actually transmitted to the appropriate taxing authorities or any bona fide refunds Franchisee makes to customers in the ordinary course of business. Franchisor reserves the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from Gross Revenue as circumstances, business practices, and technology change.

Franchisee must send Franchisor a signed report ("Gross Revenue Report(s)") on or before the 10th day of each month for the immediately preceding calendar month, in the manner and form specified by Franchisor. Each Gross Revenue Report must set forth: (i) Franchisee's Gross Revenue generated during the previous calendar month; (ii) Franchisee's calculation of the Royalty Fee and Brand Fund Contribution; and (iii) any other information Franchisor may require. In lieu of the Gross Revenue Report, Franchisor currently collects Gross Revenue data through our digital platform but Franchisor reserves the right to require a Gross Revenue Report be submitted to Franchisor as described above in the future upon notice. Franchisor may change the form, content, and/or interval of the Gross Revenue Report from time to time and/or require Franchisee to submit Gross Revenue Reports upon not less than 60 days of notice to Franchisee.

3.4 **Method of Payment**. With the exception of the Initial Franchise Fee, Franchisee shall pay all fees and other amounts due to Franchisor and/or its affiliates under this Agreement through an electronic funds transfer program (the "EFT Program"), under which Franchisor automatically deducts all payments owed to Franchisor under this Agreement or any other agreement between Franchisee and Franchisor or its affiliates, from the bank account Franchisee provides to Franchisor for use in connection with the EFT Program (the "EFT Account"). At least 10 days prior to opening the Franchised Business, Franchisee shall provide Franchisor with: (i) Franchisee's bank's name, address and account number; and (ii) a voided check from such bank account. Contemporaneous with the execution of this Agreement, Franchisee shall sign and provide to Franchisor and Franchisee's bank, all documents, including Franchisor's form of EFT Withdrawal Authorization Form as updated from time to time, necessary to effectuate the EFT Program

and Franchisor's ability to withdraw funds from such bank account via electronic funds transfer ("EFT"). Franchisee shall immediately notify Franchisor of any change in Franchisee's banking relationship, including any change to the EFT Account. Franchisor reserves the right to require Franchisee to pay any fees due under this Agreement or any other agreement related to the Franchised Business by such other means as Franchisor may specify from time to time, including, but not limited to, a requirement to use a specific payment processor from whom Franchisor or its affiliate may collect fees at the time of such payment. If any Gross Revenue Report has not been received within the required time period, then Franchisor may process an EFT for the subject month based on the most recent Gross Revenue Report provided by Franchisee to Franchisor, provided, that if a Gross Revenue Report for the subject month is subsequently received and reflects: (i) that the actual amount of the fee due was more than the amount of the EFT, then Franchisor may withdraw additional funds through an EFT from Franchisee's designated bank account for the difference; or (ii) that the actual amount of the fee due was less than the amount of the EFT, then Franchisor shall credit the excess amount to the payment of Franchisee's future obligations. If any check or electronic payment is not successful due to insufficient funds, stop payment or any similar event, any excess amounts that Franchisee owes will be payable upon demand, together with a non-sufficient funds fee of $100 per occurrence or the highest amount allowed by law. If Franchisee makes any payment to Franchisor or Franchisor's affiliate(s) by credit card for any fee required, Franchisor may charge a payment service fee of up to 4% of the total charge.

3.5 **Brand Fund Contribution**. As set forth more fully in Section 12 of this Agreement, Franchisor has established a brand fund for advertising and brand promotion (the "Brand Fund"). Franchisee must make monthly Brand Fund Contributions of 2% of Gross Revenue generated by the Franchised Business for sales made during the immediately preceding calendar month (the "Brand Fund Contribution"). Presently, Brand Fund Contributions are to be paid as directed by Franchisor on the 10th business day of each month, or as otherwise required by the Operations Manual (defined in Section 6.1) or in writing by Franchisor. Franchisor will have the right to expend the funds accumulated in the Brand Fund in Franchisor's sole discretion. Notwithstanding the foregoing, Franchisor reserves the right to increase the Brand Fund Contribution at any time upon providing notice to Franchisee, provided that the Brand Fund Contribution will not exceed 3% of Gross Revenue during the term of this Agreement.

3.6 **Local Advertising Requirement**. Franchisee shall expend the greater of: (i) 3% of Gross Revenue; or (ii) $36,000 annually on local advertising (the "Local Advertising Requirement"). The annual minimum Local Advertising Requirement of $36,000 is based on a monthly spend requirement of $3,000, but may, with Franchisor's written permission, vary monthly to account for seasonality and other relevant factors. Franchisor can require a minimum monthly Local Advertising Requirement spend of $3,000 per month even if the annual minimum dollar amount has been met for the year. Franchisor reserves the right to increase the Local Advertising Requirement to 4% of Gross Revenue upon 90 days' prior written notice. While the Local Advertising Requirement will typically be paid to third parties that Franchisor designates, Franchisor and its affiliate(s) reserve the right to require that all or a portion of the Local Advertising Requirement be paid to Franchisor or an Approved Supplier for products or services that Franchisor or a third party provides or for use in marketing channels that Franchisor requires Franchisee to use. Franchisor and its affiliates may earn revenue and profits on products or services Franchisor provides, and may receive rebates, licensing fees, administrative fees, commissions, or other payments on products and services that third party vendors provide. With respect to all Local Advertising Requirement Funds Franchisee pays to a third party, Franchisee is required to provide Franchisor with monthly expense statements (including receipts supporting the reported expenditures) evidencing compliance with the Local Advertising Requirement spending obligations. If you fail to meet your Local Advertising Requirement in any month, we may require you to pay us the shortfall as an additional advertising fee or to pay us the shortfall for us to spend on local advertising in your Designated Territory.

3.7 **Technology Fee**. In addition to the fees set forth above, Franchisee must pay Franchisor and/or Franchisor's designated vendors the then-current technology fee as set forth in the Operations Manual (defined in Section 6.1) ("Technology Fee"), associated with using and maintaining Franchisor's reservation system, intranet, mobile applications, required computer hardware and software, hosting services and solutions, and any other technology used in the operation of the Franchised Business, and such payment shall be made in the manner prescribed by Franchisor or the designated vendor(s), as applicable. The current Technology Fee is $850 per month and is subject to increase upon 30 days' notice to Franchisee. Franchisee shall pay the Technology Fee on the 10th business day of each month, or as otherwise required by the Operations Manual or in writing by Franchisor. Franchisor reserves the right to change the amount of the fee described in this Section as changes are made to the System's hardware, software and other computer requirements or as required by the third-party service provider(s) or by any regulatory agency upon 30 days' prior written notice to Franchisee.

3.8 **Bookkeeping Fee.** Franchisee shall pay Franchisor or a designated third-party vendor a bookkeeping fee equal to $400 per month (the "Bookkeeping Fee"). Franchisor reserves the right to increase the Bookkeeping Fee upon notice of not less than 30 days to Franchisee.

3.9 **Marketing Technology Fee**. In addition to the fees set forth above, Franchisee must pay Franchisor and/or Franchisor's designated vendors the then-current marketing technology fee as set forth in the Operations Manual ("Marketing Technology Fee"), associated with localized marketing including: website management, development, updating, maintenance, enhancement, brand reputation management, email marketing, social media, promotions and offers, creative support, public relations management, tradeshow support, and paid media support. The current Marketing Technology Fee is $1,251 per month and is subject to increase upon 30 days' notice to Franchisee. Franchisee shall pay the Marketing Technology Fee on the 10th business day of each month, or as otherwise required by the Operations Manual or in writing by Franchisor. Franchisor reserves the right to change the amount of the fee described in this Section to cover costs incurred in localized marketing support or as required by the third-party service provider(s) or by any regulatory agency upon 30 days' prior written notice to Franchisee.

3.10 **Opening Assistance Fee.** In consideration of the opening assistance services provided to Franchisee by Franchisor, Franchisee must pay Franchisor a lump sum opening assistance fee set forth on the Data Sheet that is part of this Agreement (the "Opening Assistance Fee"), which is due at the signing of this Agreement and deemed fully earned and non-refundable upon payment in consideration of administrative and other expenses Franchisor incurs in providing pre-opening services, including setting up and preparing its systems for Franchisee to open its business.

3.11 **Call Center Fee**. Franchisee shall pay Franchisor a call center fee equal to $600 per month, plus $20 to $67 per completed customer appointment in the prior calendar month (the "Call Center Fee"). Franchisor reserves the right to increase the Call Center Fee and the completed customer appointment fee upon notice of not less than 30 days to Franchisee. Franchisor may also change the basis upon which we collect a Call Center Fee to a percentage of Franchisee's Gross Revenue in an amount up to 4% of Franchisee's Gross Revenue, each upon 30 days' prior written notice to Franchisee. Franchisee shall pay the Call Center Fee on the 10th business day of each month, or as otherwise required by the Operations Manual or in writing by Franchisor.

3.12 **Late and/or Underpayments and Interest**. All fee payments, amounts due for purchases by Franchisee from Franchisor and/or its affiliated company(ies), and other amounts which Franchisee owes to Franchisor and/or its affiliated company not received on or before the due date shall be deemed past due. If any payment or contribution is past due, Franchisee shall pay to Franchisor immediately upon demand, in addition to the past due amount, Franchisor's then-current late fee per incident, plus the lesser of: (i) 1½%

per month (18%per annum); or (ii) the maximum interest rate allowed by law from the due date of payment. In addition to interest and fees for insufficient funds, stop payment, or similar events, Franchisee must also pay Franchisor $100 for each week that a payment is paid after the due date which is in addition to interest. Nothing contained in this Section shall prevent Franchisor from exercising, in Franchisor's sole judgment, any other rights or remedies available to Franchisor under this Agreement. In addition to the interest set forth above, Franchisee shall also pay Franchisor $100 for each week that a payment is paid after the due date.

3.13 **No Right to Offset**. Franchisee shall not be entitled to set off any payments required to be made under this Section 3 against any monetary claim it may have against Franchisor.

3.14 **Non-Exclusive Remedies**. Franchisor's right to recover interest and late payment fees under this Section shall not prevent Franchisor from obtaining, or otherwise waiving, any other remedy available to Franchisor for Franchisee's breach of this Section, as set forth in this Agreement or under applicable law.

3.15 **Taxes on Payments**. In the event any taxing authority, wherever located, imposes any future tax, levy or assessment on any payment Franchisee makes to Franchisor, Franchisee must, in addition to all payments due to Franchisor, pay such tax, levy or assessment.

3.16 **Franchisor's Right of Setoff**. As to Franchisee and/or any affiliate of Franchisee, Franchisor can:

3.16.1 apply any payments received to any past due, current, future or other indebtedness of any kind, in Franchisor's Business Judgment (defined in Section 3.17 below), no matter how payment is designated by Franchisee (including any amount due under any Promissory Note), except that the Brand Fund Contributions may only be credited to the Brand Fund;

3.16.2 set off from any amounts that may be owed by Franchisor, any amount owed to Franchisor or any marketing fund; and

3.16.3 retain any amounts received for Franchisee's account (and/or that of any affiliate of Franchisee), whether rebates from suppliers, payment for National Account work, or otherwise, as a payment against any amounts owed to Franchisor or any marketing fund.

Franchisor can exercise any of the foregoing rights in connection with amounts owed to or from Franchisor and/or any affiliate. For purposes of this Agreement, "affiliate" means any person or entity which controls, is controlled by, or is under common control with another person or entity, including any person or entity that provides services to Franchisee. In addition, as to the Franchisee, "affiliate" also means any owner of any interest in Franchisee or the Franchised Business, any employee or agent of the Franchisee, and/or any independent contractor performing functions for, or on behalf of, Franchisee, and any entity controlled by any of the foregoing.

3.17 **Business Judgment**. For purposes of this Agreement, the term "Business Judgment" means the exercise of reasonable business judgment in making Franchisor's decision or exercising Franchisor's rights. Franchisor's decisions or actions will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if Franchisor's decision or action is intended, in whole or significant part, to promote or benefit the franchise System

generally, even if the decision or action also promotes Franchisor's financial or other individual interest. Examples of items that will promote or benefit the franchise System include, without limitation, enhancing the value of the Proprietary Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the franchise System. This is a defined term for the purposes of this Agreement and is not intended to incorporate principles related to the application of the business judgment rule in a corporate law context.

4. PROPRIETARY MARKS

4.1 Franchisee's Use of the Proprietary Marks and Other Proprietary Material.

4.1.1 Franchisee shall use only the Proprietary Marks which Franchisor designates, and shall use them only in the manner Franchisor authorizes and permits.

4.1.2 Franchisee shall use the Proprietary Marks only for the operation of the Franchised Business and only in the Designated Territory and in sales and marketing for the Franchised Business.

4.1.3 Franchisee shall use all Proprietary Marks without prefix or suffix and in conjunction with the symbols "TM," "SM," or "®," as applicable. Franchisee may not use the Proprietary Marks in connection with the offer or sale of any services or products which Franchisor has not authorized for use in connection with the System. Franchisee may not use the Proprietary Marks as part of Franchisee's corporate or other legal name. Franchisee's corporate name and all fictitious names under which Franchisee proposes to do business must be approved by Franchisor in writing before use. Franchisee must use Franchisee's corporate or limited liability company name either alone or followed by the initials "D/B/A" and a business name approved in advance by Franchisor. Franchisee must promptly register at the office of the county in which Franchisee's Franchised Business is located, or such other public office as provided for by the laws of the state in which Franchisee's Franchised Business is located, as doing business under such assumed business name.

4.1.4 Franchisee must identify itself as the owner of the Franchised Business (in the manner Franchisor prescribes) in conjunction with any use of the Proprietary Marks, including, without limitation, on invoices, order forms, receipts, customer forms and questionnaires, business stationery, and advertisements, as well as at such conspicuous locations as Franchisor may designate in writing at the Franchised Business premises.

4.1.5 Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights.

4.1.6 Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on Franchisor's behalf.

4.1.7 Franchisee shall execute all documents Franchisor deems necessary to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

4.1.8 Franchisee must promptly notify Franchisor of any suspected unauthorized use of the Proprietary Marks that Franchisor may now or hereafter designate for use in connection with the System, any challenge to the validity of the Proprietary Marks, or any challenge to Franchisor's ownership of, Franchisor's right to use and to license others to use, or Franchisee's right to use, the Proprietary Marks and Operations Manual (defined in Section 6.1) (collectively the "Proprietary Material"). Franchisee acknowledges that Franchisor has the sole right to direct and control any administrative proceeding or

litigation involving the Proprietary Material, including any settlement thereof. Franchisor has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Franchisor's rights to the Proprietary Material. Franchisor shall defend Franchisee against any third-party claim, suit or demand arising out of Franchisee's use of the Proprietary Material. If Franchisor, in Franchisor's sole discretion, determines that Franchisee has used the Proprietary Material in accordance with this Agreement, Franchisor shall bear the cost of such defense, including the cost of any judgment or settlement. If Franchisor, in Franchisor's sole discretion, determines that Franchisee has not used the Proprietary Material in accordance with this Agreement, Franchisee shall bear the cost of such defense, including the cost of any judgment or settlement. In the event of any litigation relating to Franchisee's use of the Proprietary Material, Franchisee shall execute any and all documents and do such acts as may, in Franchisor's opinion, be necessary to carry out such defense or prosecution, including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of Franchisee's use of the Proprietary Material in a manner inconsistent with the terms of this Agreement, Franchisor agrees to reimburse Franchisee for Franchisee's out-of-pocket costs in performing such acts.

4.1.9 Franchisee expressly understands and acknowledges that:

4.1.9.1 Franchisor or its affiliates or licensors own all right, title and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them, and Franchisor has the right to use, and license others to use, the Proprietary Marks;

4.1.9.2 The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

4.1.9.3 During the term of this Agreement and after its expiration or termination, Franchisee shall not directly or indirectly contest the validity of, or Franchisor's ownership of, or right to use and to license others to use, the Proprietary Marks or any other Proprietary Material;

4.1.9.4 Franchisee's use of the Proprietary Material does not give Franchisee any ownership interest or other interest in or to the Proprietary Material;

4.1.9.5 Any and all goodwill arising from Franchisee's use of the Proprietary Material shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System, the Proprietary Marks, or any other Proprietary Material;

4.1.9.6 Except as specified in this Agreement, the license of the Proprietary Marks granted to Franchisee hereunder is non-exclusive and Franchisor retains the right, among others, to: (i) use the Proprietary Marks itself in connection with selling products and services; (ii) grant other licenses for the Proprietary Marks; and (iii) develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses thereto without providing any rights therein to Franchisee; and

4.1.9.7 Franchisor reserves the right, in Franchisor's sole discretion, to substitute different proprietary marks for use in identifying the System and the businesses operating thereunder. Franchisee shall discontinue using all Proprietary Marks which Franchisor has notified Franchisee, in writing, have been modified or discontinued within 30 days of receiving written notice and, at Franchisee's sole cost and expense, shall promptly begin using such additional, modified or substituted Proprietary Marks.

4.2 **Copyrighted Materials**. Franchisee acknowledges that Franchisor is the owner of certain copyrighted or copyrightable works (the **"Works"**) and that the copyrights in the Works are valuable property. The Works include, but are not limited to, the Operations Manuals, advertisements, promotional materials, signs, Internet sites, mobile applications, vehicle graphics, and facility designs. Franchisor authorizes Franchisee to use the Works on the condition that Franchisee complies with all of the terms and conditions of this Section 4. This Agreement does not confer any interest in the Works on Franchisee, other than the right to use them in the operation of the Franchised Business in compliance with the terms of this Agreement. If Franchisee prepares any adaptation, translation or other work derived from the Works, whether or not authorized by Franchisor, Franchisee agrees that the material will be our property and Franchisee hereby assigns all of its right, title and interest therein to Franchisor. Franchisee agrees to sign any documents Franchisor deems necessary to confirm Franchisor's ownership.

5. CONFIDENTIAL INFORMATION

5.1 **Nondisclosure**. During the term of this Agreement, Franchisee will receive information which Franchisor considers its trade secret and confidential information. Franchisee may not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person or entity any Confidential Information (defined in Section 5.2). Upon termination or expiration of this Agreement, regardless of the reason, Franchisee shall return all copies of such Confidential Information to Franchisor immediately, and Franchisee may not use the Confidential Information for any purpose other than operating the Franchised Business in accordance with Franchisor's standards and specifications.

5.2 **Confidential Information**. Confidential Information hereby includes, without limitation, any and all confidential, proprietary, and trade secret information relating to the operation of a Franchised Business, such as: (i) all financial, operational, technical and marketing information; (ii) Operations Manual; (iii) Franchisor's System policies or procedures, and franchising materials, brochures, marketing plans, forecasts, and related information; (iv) cost data; (v) pricing information; (vi) business plans; (vii) financial records and results of Franchisor's operations and other persons or entities operating a Franchised Business; (viii) photographs, devices, samples, models and illustrations; (ix) software developed by or for Franchisor; (x) customer and/or client lists and any information relating to Franchisor's customers or the customers of other System franchisees; (xi) prospect customer/client lists; (xii) patent, trademark, service mark and copyright applications; (xiii) information relating to inventions, discoveries, software, and any other research and development information; (xiv) methods of conducting the business developed by Franchisor or other franchisees, and any forms, memoranda, outlines, protocol, presentations, proposals, software, or other documents or information related to such methods; (xv) any information of a customer not generally known or available to the public; (xvi) any Trade Secrets (defined in Section 5.3), or of a customer of Franchisor, or of any other franchisee; and (xvii) any information about or originating from any Franchisee which, if it was information of Franchisor, is expressly deemed Confidential Information pursuant to the foregoing (collectively, "Confidential Information"). Any and all information, knowledge, know-how, techniques, and other data which Franchisor designates as confidential will be deemed Confidential Information for purposes of this Agreement.

5.3 **Trade Secrets**. Notwithstanding Section 5.2, "trade secret" means information (including, but not limited to, components of the System, product marketing and promotional techniques, confidential business information, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, and lists of actual or potential customers or suppliers) that: (i) derive economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (collectively, "Trade Secrets"). To the extent that applicable law mandates a definition of "trade secret" inconsistent with the foregoing definition, then the foregoing

definition shall be construed in such a manner as to be consistent with the mandated definition under applicable law.

5.4 **Employees/Personnel**. All of Franchisee's employees or other personnel must execute covenants that they will maintain the confidentiality of information they receive in connection with their employment by Franchisee at the Franchised Business. Such covenants shall be in a form satisfactory to Franchisor and substantially similar to the Confidentiality and Restrictive Covenant Agreement in the form attached to the Franchisor Disclosure Document as Exhibit D. Employee non-compete and restrictive covenant agreements must include, without limitation, specific identification of Franchisor as a third-party beneficiary of such covenants with independent rights to enforce them.

5.5 **New Concepts**. If Franchisee, or Franchisee's employees or principals, develop(s) any new concept, process or improvement in the operation or promotion of the Franchised Business, including, but not limited to, any modifications or additions to the Proprietary Material, Franchisee shall promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such concept, process or improvement shall become Franchisor's sole property, and Franchisor shall be the sole owner of all patents, patent applications, trademarks, copyrights, and other intellectual property rights related thereto. Franchisee and Franchisee's principals and agents hereby assign to Franchisor any rights they may have or acquire therein, including the right to modify such concept, process or improvement, and otherwise waive and/or release all rights of restraint and moral rights therein and thereto. Franchisee and Franchisee's principals and agents agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries, and further agree to execute and provide Franchisor with all necessary documentation for obtaining and enforcing such rights. Franchisee and Franchisee's principals and agents hereby irrevocably designate and appoint Franchisor as their agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any such concept, process or improvement. In the event that the foregoing provisions of this Section 5.5 are found to be invalid or otherwise unenforceable, Franchisee and Franchisee's principals and agents hereby grant to Franchisor a worldwide, perpetual, non-exclusive, fully paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe Franchisee's rights therein.

5.6 **Customer Privacy**. Franchisee agrees to adhere to the terms of Franchisor's customer privacy policies Franchisor may now or in the future develop. Franchisee may not divulge personal information regarding any customers, except as absolutely necessary to operate the Franchised Business.

6. FRANCHISOR'S OBLIGATIONS

6.1 **Operations Manual**. Prior to commencing operation of the Franchised Business, Franchisor will provide Franchisee with secure access to its operations manual, which contains mandatory and suggested specifications, standards and operating procedures for the System, which may be modified and/or supplemented by Franchisor at any time as Franchisor deems advisable in its Business Judgement, including Franchisor's proprietary and confidential operations manual for operating a Franchised Business ("Operations Manual"). The Operations Manual may cover such topics as pre-opening procedures; systems and procedures; personnel policies; specifications for vehicles, supplies, equipment and inventory; marketing; accounting and bookkeeping and related matters as may be incorporated from time to time. Any required specifications, standards and operating procedures exist to protect Franchisor's interests in the System and the Proprietary Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to Franchisee. The Operations Manual will remain confidential and the property of Franchisor, constituting a trade secret of Franchisor, and may not be shared, loaned out, duplicated, distributed or copied in whole or in part in any

manner. Franchisor will have the right to add to and otherwise modify the contents of the Operations Manual from time to time in writing in any manner, including through the Operations Manual, email, Franchisor's website, or any other means. Franchisee must always follow the required directives in the Operations Manual, as they may be modified by Franchisor from time to time. Such compliance by Franchisee is necessary to protect the integrity and reputation of the System. The Operations Manual may also contain provisions that share recommended best practices, which provisions are not mandatory.

6.2 **Initial Supplies**. Franchisor will provide Franchisee with a list of all items and equipment needed to open the Franchised Business, along with the proprietary list of Approved Suppliers for those items (as applicable), with which Franchisee must comply.

6.3 **Ongoing Assistance**. Franchisor may provide Franchisee continuing consultation and advice, as Franchisor deems necessary and appropriate in its sole discretion, regarding the management and operation of the Franchised Business. Franchisor will provide such assistance, in Franchisor's discretion, by telephone, facsimile, intranet communication, on-site visits, or other means. If Franchisee requires and requests additional on-site assistance from Franchisor, subject to the availability of Franchisor's personnel, Franchisor may provide Franchisee with such assistance at Franchisor's then-current training fee, plus expenses, including Franchisor's travel and lodging expenses, as Franchisor deems necessary in its sole discretion. Franchisor may also use the Operations Manual to provide self-serve training materials.

6.4 **Additional Training**. As set forth more fully in Section 8, Franchisor may, in Franchisor's sole discretion, hold refresher and ongoing training courses, or training courses to provide additional information and/or updates regarding Franchisor's System and/or the operation of the Franchised Business. Except as otherwise provided in this Agreement, Franchisor may require Franchisee and Franchisee's personnel to attend such additional training up to 10 days per year at a location to be selected by Franchisor except that up to 20 days per year may be required where in person training is required due to a default/non-compliance. All expenses, including Franchisee's and Franchisee's employees' transportation, meal, and lodging expenses to attend such training shall be Franchisee's sole responsibility. If training is conducted at Franchisee's Approved Location or in Franchisee's Designated Territory, Franchisee will be responsible for all of Franchisor's employees' expenses to conduct such training, including transportation, meal and lodging expenses. Franchisor will provide Franchisee with 30 days' notice of any upcoming additional or refresher training that Franchisee is required to attend. Franchisor may periodically conduct optional training programs for Franchisee and/or Franchisee's personnel at Franchisor's office or another location that Franchisor designates. Franchisor may charge Franchisee our then current fee for optional training programs. Franchisor may provide any of the additional training in person or via recorded media, teleconference, video conference, the Internet, webinar, or any other means, as Franchisor determines.

6.5 **Remedial Training**. In the event Franchisor determines that Franchisee is not operating the Franchised Business as required under the Franchise Agreement or in compliance with the System standards, Franchisor may require Franchisee to attend up to 5 days of remedial training a year (in addition to any required training). Franchisor reserves the right to schedule remedial training at its corporate headquarters or other designated training facility, or Franchisor may provide such training on-site at the Franchised Business. In either case, Franchisor may charge Franchisee its then-current tuition training fee (plus our travel and living expenses) to provide such remedial training.

6.6 **Call Center**. Franchisor has established and maintains a centralized call center for the purpose of accepting telephone, Internet and other inquiries from potential customers and forwarding such customer information to the appropriate franchisee (the "Call Center"). Franchisee must comply with Franchisor's procedures for using the Call Center as Franchisor specifies in the Operations Manual or otherwise in writing, including any fees Franchisee must pay in connection with administering and maintaining this service. Franchisor has the absolute right to receive all customer calls to the Franchised

Business, and subsequently service, route and/or assign any work orders or inquiries resulting from such calls as it deems advisable in its sole discretion, regardless of whether the customer is located within Franchisee's Designated Territory. All System related phone numbers and Internet lead sources are required to be ported to or directed to Franchisor.

6.7 **Pricing**. Franchisor may advise Franchisee from time to time concerning suggested retail prices. Franchisor and Franchisee agree that any list or schedule of prices furnished to Franchisee by Franchisor is a recommendation only and is not to be construed as mandatory upon Franchisee. Nothing contained herein shall be deemed a representation or warranty by Franchisor that the use of Franchisor's suggested prices will result in a profit. If Franchisor determines that Franchisor may lawfully require Franchisee to charge certain prices for products or services, certain minimum prices for products or services, or certain maximum prices for products or services, Franchisee must adhere to our pricing policies as set forth in the Manuals or otherwise in writing from time to time. Otherwise, Franchisee is solely responsible for determining the prices that Franchisee charges customers. Franchisee must provide Franchisor with its current price list upon Franchisor's request.

6.8 **Annual Conference**. Franchisor may, in Franchisor's discretion, hold one or multiple annual conferences at a location to be selected by Franchisor (the "Annual Conference"). Franchisor will determine the topics and agenda for such conference to serve the purpose, among other things, of updating franchisees on new developments affecting franchisees, exchanging information between franchisees and Franchisor's personnel regarding operations and programs, and recognizing franchisees for their achievements. Franchisor may require Franchisee to attend the Annual Conference and pay Franchisor's then-current registration fee if Franchisor chooses to charge a registration fee, in its sole discretion. Attendance at the Annual Conference is mandatory. Franchisor reserves the right to charge Franchisee a fee to cover Annual Conference expenses in the event the Franchisee chooses not to attend. All expenses, including Franchisee's and Franchisee's employees' transportation to and from the Annual Conference, as well as lodging, meals and salaries during the Annual Conference are Franchisee's sole responsibility. Franchisor may use Brand Fund Contributions for purposes related to the Annual Conference, including costs related to production, programs and materials.

7. FRANCHISEE'S OBLIGATIONS

7.1 **Site Location and Lease Approval**. Franchisee must operate the Franchised Business from the Approved Location only. If Franchisor has not approved a location for Franchisee to operate the Franchised Business as of the date Franchisee signs this Agreement, Franchisee must work with Franchisor to identify an Approved Location. Prior to Franchisee's acquisition by lease or purchase of a site for the Franchised Business, Franchisee must submit to Franchisor, in the form Franchisor specifies, such information or materials as Franchisor may reasonably require, and a letter of intent or other evidence satisfactory to Franchisor that confirms Franchisee's favorable prospects for obtaining the proposed site. Recognizing that time is of the essence, Franchisee must submit a proposed site, together with the information and materials required by this Paragraph 7.1, to Franchisor for Franchisor's approval within 12 months after signing the Franchise Agreement. Franchisor will have 30 days after receipt of such information and materials from Franchisee to approve or disapprove, in Franchisor's sole discretion, the site as a location for the Franchised Business. No proposed site will be deemed approved unless Franchisor has expressly approved it in writing. Franchisor has the right to review, evaluate and approve Franchisee's proposed lease for the Approved Location ("Lease") prior to execution.

7.1.1 *Relocation*. If, for any reason, the Lease term is shorter than the term of this Agreement and the Lease cannot be renewed or extended, or Franchisee cannot continue for any other reason to occupy the Approved Location, Franchisee must relocate Franchisee's Franchised Business to a mutually acceptable site within Franchisee's Designated Territory to complete the unexpired portion of the

term of this Agreement. Franchisee must notify Franchisor of Franchisee's intention to relocate, procure a site acceptable to Franchisor within 90 days prior to closing operations at Franchisee's current Approved Location, and open for business at the new Approved Location within 30 days of closing business at Franchisee's existing Approved Location. Franchisor may require Franchisee to reimburse Franchisor for its actual costs and expenses associated with evaluating Franchisee's relocation request and/or any locations proposed by Franchisee for relocation, plus a $250 administrative fee.

7.1.2 *Third-Party Provider Invoices.* Franchisor will provide Franchisee with copies of Franchisor's invoices for its expenses related to section 7.1.1 from any third-party providers upon request.

7.1.3 *Franchised Business Appearance and Construction*. Franchisee agrees that the Franchised Business must conform to Franchisor's standards and specifications for the appearance, layout and design of a Franchised Business. Franchisee is solely responsible for the preparation of architectural and working drawings necessary to complete construction and/or build-out at the Approved Location and must ensure that plans meet with applicable ordinances, building codes, permit requirements, and any other applicable local, state or federal law.

7.1.4 *Use of Premises*. The location of Franchisee's Approved Location approved by Franchisor in accordance with this Agreement shall be used solely for the purpose of operating the Franchised Business, unless otherwise approved in writing by Franchisor. Franchisee must obtain Franchisor's prior written consent to conduct any other business or commercial activity from the Approved Location.

7.2 **Training**. Franchisee (or if Franchisee is an entity, then Franchisee's principals) must attend and successfully complete Franchisor's Initial Training Program (defined in Section 8.1), as set forth more fully in Section 8 of this Agreement. Franchisor has the right to require up to 1 individual to attend in addition to Franchisee.

7.3 **Opening Requirements**. Franchisee shall open and commence operating the Franchised Business within ninety (90) days of executing this Agreement and continuously operate the Franchised Business thereafter. Franchisee must obtain Franchisor's approval of the Approved Location within 90 days of executing this Agreement. In addition to any other pre-opening obligations set forth in this Agreement, Franchisee is required to complete the following prior to commencing operations: (i) obtain all required licenses, certifications, permits, and other governmental approvals necessary to operate the Franchised Business in the Designated Territory, and provide Franchisor with written proof thereof; (ii) purchase/lease all required vehicles, equipment, supplies and inventory in accordance with Franchisor's standards and specifications and, if appropriate, from Franchisor's Approved Suppliers (defined in Section 7.4.2), that Franchisee is required to purchase prior to opening; (iii) attend and successfully complete Franchisor's Initial Training Program, as defined and described in Section 8.1 of this Agreement, as well as any other pre-opening training Franchisor may prescribe; and (iv) provide Franchisor with any and all documents and information necessary for Franchisor to effectuate the EFT Program to automatically withdraw all payments due and owing Franchisor and its affiliates under the Franchise Agreement. Without limiting the foregoing, if Franchisee or any of Franchisee's owners is not a U.S. national, Franchisee represents that Franchisee and/or such owners have an immigration status that allows Franchisee and/or such owners to live and work in the United States, and Franchisee hereby promises that Franchisee and/or such owners will maintain such status during the term of this Agreement. Failure to maintain an immigration status that allows Franchisee and/or such owners to live and work in the United States is a material breach of the Franchise Agreement.

7.4 **Purchasing Requirements**.

7.4.1 *Compliance with Standards.* Franchisee acknowledges and agrees that Franchisee's obligations set forth in this Agreement and the Operations Manual are reasonable and necessary for the operation of the Franchised Business and to maintain uniformity throughout the System. Franchisee shall adhere to the standards and specifications set forth in this Agreement and the Operations Manual and any revisions or amendments to same. Franchisee shall use the furnishings, supplies, fixtures, equipment, computer hardware and software, and product samples and promotional materials that comply with Franchisor's then-current standards and specifications, which Franchisor will establish and modify at Franchisor's discretion. Franchisee acknowledges that Franchisee may incur an increased cost to comply with such changes at Franchisee's expense.

7.4.2 *Designated and Approved Suppliers.* The Franchisee must currently use Franchisor's designated suppliers to purchase any items and/or services necessary to operate the Franchised Business. Recognizing that preservation of the System depends upon product and service uniformity and the maintenance of Franchisor's trade dress, Franchisee agrees to purchase product samples and other supplies, services, furnishings, fixtures, computer hardware and software, and other equipment from Franchisor or from approved or designated suppliers as Franchisor shall specify, from time to time, in the Operations Manual and otherwise in writing (each an "Approved Supplier"). Franchisee hereby acknowledges that Franchisor, Franchisor's affiliate(s) and/or a third party may be one of several, or the only, Approved Supplier of any item. Franchisee further acknowledges and agrees that Franchisor and/or Franchisor's affiliates have the right to realize a profit or otherwise derive revenue from any products or services that Franchisor, Franchisor's affiliates, or Franchisor's Approved Suppliers supply and/or provide to Franchisee. Franchisor has the irrevocable right to modify, supplement, or otherwise change its lists of Approved Suppliers and any items that must be purchased from such Approved Suppliers at any time, as Franchisor deems advisable in its sole discretion. Franchisor may mandate that Franchisee use a specific payment processor in its Franchised Business, in which Franchisor or an affiliate may (or may not) be an owner, and Franchisor or its affiliate may collect fees owed to it or an affiliate at the time of payment by a customer using such processor. Franchisor may provide Franchisee with notice of such modifications to these lists via the Operations Manual or any other manner Franchisor deems appropriate.

7.4.3 *Supplier Approval.* In the event Franchisee wishes to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, Franchisee must provide Franchisor the name, address and telephone number of the proposed supplier, a description of the item Franchisee wishes to purchase, and the purchase price of the item, if known. At Franchisor's request, Franchisee must provide Franchisor, for testing purposes, a sample of the item Franchisee wishes to purchase. Nothing in the foregoing shall be construed to require Franchisor to approve any particular supplier. Franchisor may base Franchisor's approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency and quality of operation Franchisor deems necessary or desirable in Franchisor's System as a whole, as well as the maintenance of Franchisor's Confidential Information. Franchisor has the right to receive payments from suppliers on account of their dealings with Franchisee and other franchisees and to use all amounts Franchisor receives without restriction (unless instructed otherwise by the supplier) for any purposes Franchisor deems appropriate. Nothing herein shall require Franchisor to approve an unreasonable number of suppliers for a given item, which approval might, in Franchisor's reasonable judgment, result in higher costs or prevent the effective or economical supervision of approved suppliers.

7.4.3.1 Franchisee or the proposed supplier must pay Franchisor its then-current alternative supplier or new product review fee, in addition to Franchisor's actual costs that Franchisor estimates it will incur in connection with inspecting the alternate supplier, its facilities, and/or the previously non-approved item(s) proposed by Franchisee. If the costs Franchisor incurs are more than the amount

Franchisee or the proposed supplier advanced, then Franchisor may withdraw additional funds through the EFT Program from Franchisee's designated bank account for the difference, or if the actual amount Franchisor incurs is less than the amount of the advancement, then Franchisor shall credit the excess amount to the payment of Franchisee's future obligations.

7.4.3.2 Franchisor will use commercially reasonable efforts to notify Franchisee in writing whether or not Franchisee's request is approved or denied within 30 days of: (i) Franchisor's receipt of all supporting information from Franchisee regarding Franchisee's request under this Section; and (ii) if applicable, Franchisor's completion of any inspection or testing associated with Franchisee's request. If Franchisor does not provide written approval within this time period, then Franchisee's request will be deemed denied.

7.4.3.3 Franchisor may, but is not obligated to, provide Franchisee's proposed supplier or provider with its specifications for the item that Franchisee wishes the third-party to supply, provided that third-party executes Franchisor's prescribed form of non-disclosure agreement.

7.4.3.4 Each supplier that Franchisor approves of must comply with Franchisor's requirements regarding insurance, indemnification and non-disclosure. If Franchisor approves any supplier, Franchisee may enter into supply contracts with such third party, but under no circumstances will Franchisor guarantee Franchisee's performance of any supply contract.

7.4.3.5 Franchisor may re-inspect and revoke Franchisor's approval of particular products or suppliers when Franchisor determines, in Franchisor's sole discretion, that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee must cease purchasing products from such supplier.

7.4.4 *System Suppliers*. Franchisor may establish business relationships, from time to time, with suppliers who may produce and/or provide certain products or services that Franchisee is required to purchase from only that supplier (each a "System Supplier"). These System Suppliers may provide, among other things, supplies, fixtures, technology, software and equipment, all in accordance with Franchisor's proprietary standards and specifications, or private label goods that Franchisor has authorized and prescribed for sale by System franchisees. Franchisee recognizes that such products and services are essential to the operation of the Franchised Business and to the System generally. Franchisee further recognizes that Franchisee's failure to pay System Suppliers may interfere with such suppliers' willingness to supply the System and may result in other System franchisees' inability to obtain product or ability to obtain product only on less favorable credit terms. Accordingly, Franchisee agrees to pay System Suppliers as and when due. Franchisee must use products purchased from Approved Suppliers solely in connection with the operation of the Franchised Business and not for any competitive business purpose.

7.5 **Approved Products and Services**. Franchisee shall offer for sale all products and services which Franchisor prescribes and only those products and services which Franchisor prescribes. Franchisee may not offer any other products or services for sale without having received Franchisor's prior written authorization. Franchisee shall at all times maintain sufficient levels of inventory, as specified in the Operations Manual, to adequately satisfy consumer demand. Franchisee must offer, use and sell all private label products which Franchisor may now or in the future designate for sale by System franchisees. In the event Franchisee wishes to offer any Approved Products or Approved Services that Franchisor indicates requires additional training or certification from Franchisor or its designee, then Franchisee must complete such training and/or obtain such certification, at Franchisee's sole expense, prior to providing these specialized Approved Products and Approved Services.

7.6 **Operations**.

7.6.1 *Hours of Operation.* Franchisee must operate the Franchised Business for at least those days and number of hours Franchisor specifies in the Operations Manual.

7.6.2 *Maintenance of Premises and Project Sites.* Franchisee must maintain the Franchised Business and all project sites in a clean, safe and attractive manner, and in accordance with all applicable requirements of law, including all federal, state and local health laws, as well as this Agreement and the Operations Manual. Franchisee and Franchisee's employees must give prompt, courteous and efficient service to the public and otherwise operate the Franchised Business so as to preserve, maintain and enhance the reputation and goodwill of the System.

7.6.3 *Personnel/Staffing.* Franchisee must employ a sufficient number of qualified, properly licensed, and competent personnel to offer prompt, courteous and efficient service to the public, and otherwise operate the Franchised Business in compliance with the System so as to preserve, maintain and enhance the reputation and goodwill of the System. All employees engaged in the operation of the Franchised Business during working hours shall dress conforming to Franchisor's standards and shall present a neat and clean appearance in conformance with Franchisor's reasonable standards and shall render competent, efficient service to the customers of the Franchised Business.

7.6.4 *Compliance with Operations Manual and Training of Employees.* Franchisee agrees to conduct the Franchised Business in accordance with the mandatory portions of the Operations Manual.

7.6.5 *Management Participation.* Franchisee (or at least one of Franchisee's principals if Franchisee is a corporation or partnership) must devote their personal full-time attention and best efforts to the management and operation of the Franchised Business. Upon Franchisee's written request, Franchisor may permit Franchisee to employ a manager to manage the day-to-day operations of the Franchised Business (the "Designated Manager"), provided the Designated Manager: (i) is approved by Franchisor in writing prior to hiring; and (ii) successfully completes Franchisor's Initial Training Program (defined in Section 8.1) before assuming any managerial responsibility. The Franchised Business must, at all times, be staffed with at least 1 individual who has successfully completed Franchisor's Initial Training Program. In the event that Franchisee operates more than one Franchised Business, Franchisor may require Franchisee to have a properly trained Designated Manager who has been approved by Franchisor at each location. Franchisee will keep Franchisor informed at all times of the identity of any employee acting as Designated Manager of the Franchised Business. In the event that a Designated Manager resigns or is otherwise terminated from the Franchised Business, the replacement must be trained pursuant to Franchisor's then-current standards. Franchisee must replace the Designated Manager within a reasonable amount of time not to exceed 90 days. The new Designated Manager must successfully complete training within 30 days of hiring. Franchisor reserves the right, without the obligation, to train the new Designated Manager directly. Franchisee and any Designated Manager(s) are not permitted to seek or maintain other employment or engage in any other business activities during the term of this Agreement.

7.6.5.1 If Franchisee's Designated Manager departs the Franchised Business and Franchisee does not have another Designated Manager that satisfies the requirements in Section 7.6.5 above, then Franchisor may, at its option, provide Franchisee with a temporary replacement Designated Manager and Franchise shall be obligated to pay the replacement Designated Manager the then-current fee for each full or partial day.

7.6.5.2 Notwithstanding the foregoing, Franchisee will not be in violation of the obligations of this Section 7.6.5 and Section 7.10 if Franchisee (or at least one of Franchisee's principals if

Franchisee is a corporation or partnership) or the Designated Manager(s) devotes appropriate time, resources, and effort to supervising the development and operation of the Franchised Business. The owners of Franchisee must directly oversee the Designated Manager (where one is appointed pursuant to the Franchise Agreements) and such owners may engage in other non-competitive business or activity so long as it does not materially interfere with the operation of the Franchised Businesses.

7.6.6 *Working Capital.* Franchisee must at all times maintain such working capital as may be reasonably necessary to enable Franchisee to properly and fully carry out and perform all of Franchisee's duties, obligations and responsibilities hereunder and to operate the business in a businesslike, proper and efficient manner.

7.6.7 *Inventory.* Prior to commencement of operations, Franchisee shall adequately supply the Franchised Business with supplies, vehicles, equipment and inventory as prescribed by the Franchisor in the Operations Manual, and any other items of the type, quantity and quality as specified by the Franchisor in the Operations Manual. Franchisee must, at all times, maintain sufficient levels of inventory, including Franchisor's proprietary products and other equipment and supplies used at project sites, as required by Franchisor in the Operations Manual to adequately meet consumer demand. Vehicles may be leased or rented. Provided however, rented vehicles may not display the trademarks of a Competing Business.

7.6.8 *Products with Proprietary Marks*. Franchisee shall, in the operation of its Franchised Business, use and display labels, forms, vehicles, supplies, equipment and inventory imprinted with the Proprietary Marks and colors as prescribed by the Franchisor.

7.6.9 *Market Research*. Franchisor may, from time to time, conduct market research and testing to determine the viability of new products and services. Franchisee must cooperate by participating in such programs and by purchasing and promoting the sale of such test products and services, if required by the Franchisor.

7.6.10 *Customer Contracts*. In the operation of the Franchised Business, Franchisee is required to use only the customer contracts, waivers, and/or other forms that are designated by Franchisor from time to time. Franchisor is not obligated to designate any such items and Franchisee's use obligations do not apply where Franchisor does not designate such items. Franchisor may provide Franchisee with templates or sample forms of such items, but it is Franchisee's responsibility to have all items which are to be used with prospective and/or actual customers reviewed, at Franchisee's expense, by an attorney licensed to practice law in the state(s) where the Franchised Business is operated, for compliance with all applicable state and local legal requirements. Franchisor makes no warranty or representation that any contracts, waivers and/or other forms and/or materials, whether supplied by Franchisor or otherwise, are in compliance with the laws of any particular state(s) or locality.

7.7 **Franchised Business Inspection**. Franchisee agrees that, in order to maintain the high quality and uniform standards associated with the Franchise System and to protect its goodwill and reputation, Franchisee will permit Franchisor, during business hours, to inspect Franchisee's Franchised Business or attend a project site, confer with Franchisee and Franchisee's employees and customers, observe and evaluate Franchisee's sales techniques and operation methods, and perform any other inspection which Franchisor deems necessary to protect the standards of quality and uniformity of the franchise System and Franchisee's performance under this Agreement, the Operations Manual, and other standards and specifications required by Franchisor. Franchisee is obligated to make changes to Franchisee's operations based upon any inspections by Franchisor. Franchisor is not required to provide Franchisee with any notice prior to conducting such an inspection.

7.8 **Computer Software and Hardware**.

7.8.1 *Business Management and Technology System.* Franchisor's business management and technology system ("Business Management and Technology System") is a proprietary integrated business management system, that includes customized software that facilitates the flow of business-related information between Franchisee, Franchisor, and Franchisee's customers. The Business Management and Technology System will be managed and maintained by either Franchisor, a third-party company selected by Franchisor, or a combination of both. The Business Management and Technology System includes software that manages customer / Franchisee / Franchisor interactions from demand generation and lead intake through invoicing and collections, Franchisor's websites, telematics, and the Call Center. Franchisee is required to forward any and all calls made to the Franchised Business (and all telephone numbers associated therewith) so that Franchisor can receive/route/assign these customer calls through the Business Management and Technology System as more fully set forth in this Agreement. Franchisee will have access to the Business Management and Technology System through a unique login.

7.8.2 *Computer System.* Franchisor shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems and hardware be used by Franchisee, including, without limitation: (a) a compatible "back office" computer system that complies with Franchisor's standards and specifications and is capable of operating designated and Required Software (as defined below in Section 7.8.3); (b) Franchisor's Business Management and Technology System; (c) a custom and proprietary point of sale system (the "POS System"), if Franchisor makes such a POS System part of its proprietary operating system in the future; (d) accounting software; (e) software applications and programs; (f) printers and other peripheral hardware or devices; (g) archival back-up systems; (h) Internet access mode and speed; and (i) physical, electronic, and other security systems (collectively, the "Computer System"). Franchisee must dedicate its Computer System for use as the Business Management and Technology System only and use the Business Management and Technology System in accordance with Franchisor's policies and operational procedures. Franchisee's employees must complete any and all training programs Franchisor reasonably requires for the proper operation and use of the Business Management and Technology System. Franchisee may not use any other cash registers or computer systems in its Franchised Business.

7.8.3 *Required Software.* Franchisor shall have the right, but not the obligation, to develop or designate: (i) computer software programs that Franchisee must use in connection with any component of the Computer System, including Franchisor's Business Management and Technology System software (the "Required Software"), which Franchisee shall install at Franchisee's expense; (ii) updates, supplements, modifications, or enhancements to the Required Software, which Franchisee shall install at Franchisee's expense; (iii) the tangible media upon which Franchisee records data; and (iv) the database file structure of the Computer System.

7.8.4 *Compliance with Requirements.* At Franchisor's request, Franchisee shall purchase or lease, and thereafter maintain, the Computer System and, if applicable, the Required Software. Franchisee expressly agrees to strictly comply with Franchisor's standards and specifications for all items associated with Franchisee's Computer System and any Required Software (including the Business Management and Technology System). Franchisee agrees, at its own expense, to keep its Computer System in good maintenance and repair. Franchisee and Franchisor agree that maintaining current technological capabilities is necessary and appropriate in order to meet customer preferences and/or requirements as they evolve over time, and that as a result of such changes over time, updates and/or new or additional software, hardware, and systems may be added to the specifications. Franchisee agrees, at its own expense to install such additions, changes, modifications, substitutions, and/or replacements to Franchisee's Computer System or Required Software as Franchisor directs from time to time in writing. Franchisee agrees that its

compliance with this Section shall be at Franchisee's sole cost and expense. Franchisee agrees that maintaining current technological capabilities is necessary and appropriate in order to meet customer preferences and/or requirements as they evolve over time, and that as a result of such changes over time, updates and/or new or additional software, hardware, and systems may be added to the specifications.

7.8.5 *Franchisor's Access.* Franchisor may require that Franchisee's Computer System be programmed to automatically transmit data and reports about the operation of the Franchised Business to Franchisor. Franchisor shall also have the right to, at any time without notice, electronically connect with Franchisee's Computer System to monitor or retrieve data stored on the Computer System or for any other purpose Franchisor deems necessary. There are no contractual limitations on Franchisor's right to access the information and data on Franchisee's POS system and Computer System. Franchisee shall deliver to Franchisor all access codes, static Internet protocol ("IP") addresses and other information to facilitate Franchisor's access to the data described in this Section within 30 days of opening the Franchised Business.

7.8.6 *Proprietary Software.* Franchisor has a proprietary interest in all databases, lists, templates, programs, and any other software components that have been created and/or customized by Franchisor using the Computer System and/or Required Software (the "Proprietary Software"). In the future, Franchisor may further customize the Proprietary Software and create programs that conduct, among other things, scheduling, accounting, inventory, and related activities. Franchisee must obtain the computer hardware necessary to implement the Proprietary Software into the Franchised Business and comply with all specifications and standards prescribed by Franchisor regarding the Proprietary Software as provided in the Operations Manual. This Proprietary Software will be Franchisor's proprietary product and the information collected therefrom will be deemed Franchisor's Confidential Information.

7.8.7 *Computer Network*. Franchisee is required to participate in any System-wide computer network, intranet system, extranet system or community portal that Franchisor implements and that may be required by Franchisor to use such computer network, intranet system, or extranet system to, among other things: (i) submit Franchisee's reports due under this Agreement to Franchisor online; (ii) view and print portions of the Operations Manual, including any updates or modifications thereto; (iii) download approved marketing materials; (iv) communicate with Franchisor and other System franchisees; and (v) complete any initial or ongoing training that Franchisor designates, in the event Franchisor makes such training accessible through this medium. Franchisee agrees to use the facilities of any such computer network, intranet system or extranet system in strict compliance with the standards, protocols and restrictions that Franchisor included in the Operations Manual, including those related to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements. Franchisee understands and agrees that it is solely responsible for any licensing and/or maintenance fee(s) associated with any intranet or extranet described in this Section.

7.9 **Personal Conduct**. Franchisee agrees to refrain from committing any act or pursuing any course of conduct that tends to bring Franchisor's Proprietary Marks into disrepute.

7.10 **Best Efforts**. Franchisee (or Franchisee's principals) must devote their personal full-time attention, skill and best efforts to the management and operation of the Franchised Business and to promote and increase the demand for the Franchisor's products and services within the Designated Territory. In consideration of the grant of the Franchised Business, Franchisee (or Franchisee's principals) agrees that it will not own, maintain, engage in, be employed by, or have any interest in any other business other than the Franchised Business without the prior written consent of Franchisor. Franchisee agrees that Franchisee may not, without the prior written consent of Franchisor, engage in any commercial activity that: (i) is not performed for the sole and direct benefit of the Franchised Business; (ii) may benefit or promote any other business; or (iii) may be injurious to the Franchised Business or the goodwill associated with the Proprietary

Marks and the System. Franchisee acknowledges that Franchisee's (or Franchisee's principals') violation of the terms in this Section will be a material breach of this Agreement, and Franchisor may terminate this Agreement with notice and without an opportunity to cure. The foregoing remedy shall be in addition to any other legal or equitable remedies that the Franchisor may possess.

7.11 **Telephone and Email Access**. Franchisor reserves the right to procure and supply all telephone numbers and email accounts associated with the Franchised Business.

7.12 **Payment of Debts**. Franchisee is solely responsible for: (i) selecting, retaining and paying Franchisee's employees; (ii) the payment of all invoices for the purchase of products and services used in connection with operating the Franchised Business; and (iii) determining whether, and on what terms, to obtain any financing or credit which Franchisee deems advisable or necessary for the conduct of the Franchised Business. Franchisee agrees to pay all current obligations and liabilities to suppliers, lessors, and creditors on a timely basis. Franchisee agrees to indemnify Franchisor in the event that Franchisor is held responsible for debts owed by Franchisee if Franchisor elects to pay any of Franchisee's obligations in order to preserve the relationship between System Suppliers and System franchisees. Franchisee agrees to make prompt payment of all federal, state and local taxes, including individual and corporate taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, FICA taxes, personal property, and real estate taxes arising from Franchisee's operation of the Franchised Business. Franchisee agrees to indemnify Franchisor in the event that Franchisor is held responsible for these taxes.

7.13 **Compliance with Applicable Laws**. Franchisee must comply with all applicable federal, state and local laws, ordinances and regulations regarding the operation of the Franchised Business (including, without limitation, all government regulations relating to required licensing; occupational hazards and health; trademark and copyright infringement; fair marketing laws; consumer protection; trade regulation; workers' compensation; unemployment insurance; withholding and payment of Federal and State income taxes and social security taxes; sales, use and property taxes; and the applicable provisions of the Americans with Disabilities Act ("ADA") regarding the construction, design and operation of the Franchised Business). Franchisee will have sole authority and control over the day-to-day operations of the Franchised Business and Franchisee's employees and/or independent contractors. Franchisee is solely responsible for all employment decisions and is solely responsible for compliance with all local, state, and federal hiring laws and functions of the Franchised Business, including, without limitation, those related to hiring, firing, training (except for brand standards certification training Franchisor offers to Franchisee and its Designated Manager), wage and hour requirements, compensation, promotion, recordkeeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will Franchisee or Franchisee's employees be deemed to be employees of Franchisor or Franchisor's affiliates. Any information Franchisor provides about employment matters, whether voluntarily or in response to your request, and whether directly or by means of any technology tools, is a recommendation only and is not intended to and is not an actual exercise of control over the wages, hours or working conditions of Franchisee's employees or the means and manner by which they carry out their duties. Franchisee is strongly encouraged to seek independent competent labor law counsel in the state/locality where Franchisee does business for all employment matters.

Franchisee alone will direct and control all employees of the Franchised Business, subject only to the Brand Standards that Franchisor prescribes to protect the goodwill associated with the Marks, which may include the requirement of initial and periodic drug testing and background checks. Franchisee is required to clearly inform all workers, before hiring and periodically thereafter, that Franchisee, and not Franchisor, is their employer. Franchisee agrees to indemnify Franchisor for any liability, cost, expense, loss or damage, including attorney's fees and costs, arising from any claim or allegation that Franchisor or any affiliate is the employer, co-employer, or joint employer of Franchisee, its Owners, or any workers in the Franchised Business.

7.14 **Trade Secrets and Confidential Information**. Franchisee and all of its employees must maintain the confidentiality of all Confidential Information as set forth in this Agreement.

7.15 **Image**. Franchisee acknowledges that Franchisor has developed the System to offer and sell products and services which will distinguish the Franchised Business from other service businesses that offer similar products and services valued at different prices and with less attention paid to product quality and customer service. Franchisee agrees to offer products and services and to conduct the Franchised Business in such a manner which will serve to emulate and enhance the image Franchisor intended for the System. Franchisee further acknowledges and agrees that each aspect of the System is important not only to Franchisee, but also to Franchisor and to other System franchisees in order to maintain the highest operating standards, achieve System-wide uniformity, and increase the demand for the products sold and services rendered by System franchisees. Franchisee agrees to comply with the standards, specifications and requirements Franchisor set forth in order to uniformly convey the distinctive image of a Franchised Business. Franchisee shall, in the operation of the Franchised Business, use only displays, bags, labels, forms, stationery, and other products Franchisor designates that are imprinted with the Proprietary Marks and colors, as prescribed from time to time by Franchisor.

7.16 **Pending Actions**. Franchisee shall notify Franchisor in writing, within 5 days of the commencement of any action, suit or proceeding and the issuance of any order, suit or proceeding of any court, agency or other government instrumentality, including the receipt of any notice or citation, which may adversely affect the operation or financial condition of Franchisee or the Franchised Business.

7.17 **Standard Maintenance and System Conformity**. Franchisee agrees to repair, refinish, replace, and/or otherwise refurbish the Franchised Business's Computer System, POS System, Required Software, vehicle(s), trailer(s) (if applicable), equipment, tools, and the Approved Location's furnishings, fixtures, decor, and any other tangible part or property of the Franchised Business at Franchisee's sole expense at such times as Franchisor may reasonably direct. Franchisor has the right to direct Franchisee to remodel, re-equip, and otherwise refurbish the Approved Location in the manner necessary to bring it into conformance with other franchises of the type Franchisor's franchisees are opening at the time of such direction. A remodel/re-equip/refurbish will not be required in the last 12 months of a term, but will be a condition of renewal. If at any time, in Franchisor's Business Judgment, the general state of repair or the appearance of the premises of the Approved Location or its vehicles or equipment does not meet Franchisor's standards, Franchisor shall so notify Franchisee, specifying the action to be taken by Franchisee to correct such deficiency. If Franchisee fails or refuses to initiate within 15 days after receipt of such notice, Franchisor shall have the right, in addition to all other remedies, to enter upon the premises of the Approved Location and affect such maintenance on behalf of Franchisee, and Franchisee shall pay the entire costs thereof on demand.

7.18 **Customer Service**. Franchisee must comply with any standards, specifications or methodologies that Franchisor establishes in the Operations Manual or otherwise in writing regarding customer service requirements, a customer or product warranty, or a satisfaction guarantee on any Approved Products or Approved Services offered or sold by the Franchised Business, refund policies, and other standards and specifications. If specified in the Operations Manual, Franchisee is required to provide the warranty or satisfaction guarantee to each customer and comply with the requirements of the warranty/guarantee program, as set forth in the Operations Manual.

8. TRAINING

8.1 **Initial Training Program**. Franchisor will provide Franchisee (or one of Franchisee's principal owners if Franchisee is a business entity) and up to 2 additional representatives that Franchisee

designates with Franchisor's then-current initial training program (the "Initial Training Program") tuition-free, subject to the availability and schedule of Franchisor's training personnel. Franchisee must attend and successfully complete the Initial Training Program to Franchisor's satisfaction at Franchisor's corporate headquarters (the "Home Office"), or other location that Franchisor designates, prior to commencing operations of the Franchised Business. Some or all of the classroom training may now or in the future be provided virtually. If Franchisee is a business entity, each franchise owner must attend and successfully complete the Initial Training Program. The Initial Training Program lasts approximately 5 days, and Franchisee will be solely responsible for costs and expenses Franchisee and its representative(s) incur in connection with attending the Initial Training Program, including travel, lodging, meals or any wages incurred for Franchisee's employees. In the event Franchisor permits Franchisee to employ a Designated Manager (defined in Section 7.6), such Designated Manager must attend and complete the Initial Training Program to Franchisor's satisfaction prior to commencing any managerial duties of the Franchised Business.

8.1.1 *Timing for Completion.* Franchisee and its designated trainees must participate in and complete the Initial Training Program to Franchisor's satisfaction prior to opening the Franchised Business and within 90 days from the Effective Date of this Agreement. Upon completion of the Initial Training Program, the Franchised Business shall be deemed "open and operating." In the event Franchisee does not complete the Initial Training Program to Franchisor's satisfaction within this 90-day period, then Franchisor may terminate this Agreement or Franchisor may provide Franchisee with additional time in exchange for a general release.

8.1.2 *Additional Employees.* In the event Franchisee requests that more than 2 additional people participate in the Initial Training Program (other than Franchisee or Franchisee's partner or principal shareholder), even if they attend the same training session, Franchisor may provide the Initial Training Program to such additional persons, subject to the availability of Franchisor's personnel, and charge Franchisee its then-current training tuition fee. All training related expenses for Franchisee's additional personnel, including transportation to and from the training site, lodging, meals, and salaries during training are Franchisee's sole responsibility.

8.1.3 *Replacement Personnel*. In the event Franchisee or Franchisee's employee(s) fail(s) to complete the Initial Training Program to Franchisor's satisfaction, the respective person may repeat the course, or, in the case of an employee, Franchisee may send a replacement (the "Replacement Personnel") to the next available training session. Franchisor may charge its then-current training tuition fee for such Replacement Personnel to attend the Initial Training Program. Franchisor may also charge its then-current training tuition fee for each subsequent operating principal, designated manager or employee who attends the course at a scheduled training class at our headquarters or other location designated by Franchisor. Failure by Franchisee, subsequent operating principals, designated managers, an employee, or any Replacement Personnel to complete the Initial Training Program to Franchisor's satisfaction within the time-period prescribed in this Agreement shall constitute default of this Agreement and Franchisor may terminate the Agreement.

8.1.4 *Employee Training*. Franchisee must ensure that any and all employees of the Franchised Business that do not attend the Initial Training Program are properly trained to perform their respective duties in connection with the Franchised Business prior to such employee(s) undertaking the duties.

8.1.5 *Training Materials.* Franchisor will provide Franchisee with training materials for Franchisee to use in training Franchisee's personnel. Franchisee must use Franchisor training materials to train Franchisee's personnel on brand standard topics and may supplement training with its own materials so long as they are not inconsistent with Franchisor training materials. Updated training materials may be

available to Franchisee in the Operations Manual or by other means, in Franchisor's sole discretion. All training materials provided to Franchisee by Franchisor shall at all times remain Franchisor's property, and Franchisee agrees not to challenge Franchisor's or Franchisor's affiliates' title or rights in or to the training materials. Franchisee may not make any disclosure, duplication or other unauthorized use of any portion of the training materials.

8.2 **Additional and Remedial Training**. Franchisor may conduct, and require Franchisee, Franchisee's Designated Manager (if applicable), and other employees to attend additional and/or refresher training courses that Franchisor develops for the benefit of the System, as Franchisor deems advisable in its sole discretion. Franchisor may charge Franchisee its then-current training tuition fee for Franchisee and any other persons that attend such additional or refresher training, and Franchisee will be solely responsible for any and all expenses associated with such training (including travel, lodging, meals and employee wages incurred). Additional and/or refresher training may take place at Franchisor's Home Office or any other location that Franchisor designates. Franchisor will provide Franchisee with 30 days' notice of any upcoming additional or refresher training that Franchisee is required to attend.

8.3 **Reasonable Training and Assistance Requests**. Upon Franchisee's written request, Franchisor may provide Franchisee with additional training and/or assistance, as Franchisor deems necessary in its sole discretion, subject to the availability and schedules of Franchisor's personnel. Franchisor may charge Franchisee its then-current tuition fee for any training or assistance that Franchisor provides at Franchisee's request, and Franchisee is solely responsible for any expenses and costs incurred: (i) by Franchisee and its representatives in connection with attending such additional training; and (ii) by Franchisor in connection with providing such training or assistance, whether at the Home Office or on-site at Franchisee's Approved Location or within the Designated Territory. Additional assistance may be provided by Franchisor over the phone, via email or Franchisor's Operations Manual.

9. INSURANCE

9.1 **General**. Franchisee must maintain, at Franchisee's expense, in full force and effect throughout the term of this Agreement, the types of insurance and the minimum policy limits specified in the Operations Manual. In determining and modifying such requirements, Franchisor agrees to only require such insurance and minimum policy limits that are reasonable in its Business Judgment. The insurance policy or policies must be in effect at the earlier of: (i) 60 days after the Effective Date of this Agreement; or (ii) prior to attending the Initial Training Program. The insurance policy or policies must protect Franchisee, Franchisor, and Franchisor's past, present, and future: officers, directors, owners, managers, members, stockholders, affiliates, employees, consultants, attorneys and agents, against any loss, liability, personal injury, death, property damage, or expense whatsoever arising out of or occurring upon or in connection with the condition, operation, use, or occupancy of the Franchised Business. Franchisee shall list Franchisor as an additional insured under each policy, except for policies required by statute in Franchisee's jurisdiction, including, but not limited to, workers' compensation and employer's liability insurance policies. Franchisor reserves the right to amend, modify, and/or supplement additional types of coverage and/or increase the required minimum amount of coverage upon providing Franchisee reasonable notice through the Operations Manual or otherwise in writing by Franchisor. Franchisee's obligation to obtain coverage is not limited in any way by insurance that Franchisor maintains. Upon Franchisor's request or as specified in the Operations Manual, Franchisee shall provide Franchisor with certificates of insurance evidencing the required coverage and any other documentation in connection therewith.

9.2 **Insurance Rating, Approval, and Certification**. All insurance carriers must be approved by Franchisor in advance and in writing. All insurance policies must be issued by insurance companies with a rating of A-VII or better as reported in the most recent edition of A.M. Best's Insurance Report. Franchisor's acceptance of an insurance carrier does not constitute Franchisor's representation or guarantee

that the insurance carrier will be capable of meeting claims during the term of the insurance policy. Franchisee agrees to carry such insurance as may be required by the Lease of the Approved Location or by any of Franchisee's lenders or equipment lessors, and such workers' compensation insurance as may be required by applicable law. Franchisee must deliver a certificate of insurance to Franchisor at least 20 days prior to opening the Franchised Business and 10 days prior to any renewal of the required policies, as evidence that all insurance requirements have been met. All insurance policies held by Franchisee will be primary to any policy or policies held by Franchisor or its affiliates.

9.3 **Designees**. All liability policies will list Franchisor as an additional insured except the Employment Practices Liability policy where Franchisor will be named as co-defendant. The Commercial General Liability policy shall contain a waiver of subrogation in favor of Franchisor and any parties Franchisor designates, and will be primary and non-contributory to any insurance Franchisor might carry. Franchisor reserves the right to modify required insurance coverage during the course of Franchisee's Agreement based on changes in risk factors, for which Franchisee will comply with upon written notice from Franchisor.

9.4 **Claims Cancellation**. Franchisee must provide Franchisor with copies of any insurance claims or insurance cancellations within 24 hours of Franchisee's receipt of said claims or cancellations. Franchisee has a 48-hour opportunity to cure any lapses in insurance coverage. No insurance policy must be subject to cancellation, termination, non-renewal or material modification, except upon at least 30 calendar days' prior written notice from the insurance carrier to Franchisor. Franchisee must submit a certificate of insurance which demonstrates compliance with this Section 9.

9.5 **Failure to Maintain Insurance**. If Franchisee fails to comply with the minimum insurance requirements set forth herein, Franchisor has the right to obtain such insurance and keep same in force and effect, and Franchisee shall pay Franchisor, on demand, the premium cost thereof and a $100 administrative fee for the costs incurred in connection with Franchisor obtaining the insurance.

9.6 **Modification of Requirements**. Franchisor has the right to increase or otherwise modify the minimum insurance requirements upon 30 days' prior written notice to Franchisee, and Franchisee shall comply with any such modification within the time specified in said notice.

10. FINANCIAL RECORDS AND REPORTS

10.1 **Reporting**. Franchisee must maintain, for at least 10 fiscal years from their preparation, full, complete accurate records of all sales, marketing activities, contracts, estimates, authorizations, receipts, payroll and accounts payable, and any other documents and records used in connection with the Franchised Business, in accordance with the standard accounting system described by the Franchisor in the Operations Manual or otherwise specified in writing. Franchisee must also provide Franchisor with complete financial records for the operation of the Franchised Business as described in this Section in accordance with generally accepted accounting principles.

10.1.1 Franchisee will, at its expense, submit to the Franchisor within 60 days of the end of each calendar year of the Franchised Business during the term of this Agreement, a complete financial statement for the said calendar year, including, without limitation, both an income statement and balance sheet, which may be unaudited, together with such other information in such form as the Franchisor may require.

10.1.2 Each financial statement shall be signed by Franchisee or by an individual authorized by Franchisee, attesting that the statement is true and correct and prepared in accordance with Franchisor's requirements.

10.1.3 Franchisee must provide Franchisor with access to the information generated by any software Franchisor requires Franchisee to use in connection with its bookkeeping and other accounting obligations under this Agreement, including QuickBooks and Franchisor's software provider(s). Franchisee must, upon Franchisor's request, grant temporary administrative access to any software Franchisor requires Franchisee to use in connection with its bookkeeping and other accounting obligations (including, but not limited to, QuickBooks or our then-current accounting software) to Franchisor and/or its designee for the limited purpose of integration with franchise systems (i.e., our digital platform or similar systems) or collecting financial reporting data as required under the Franchise Agreement.

10.1.4 Franchisee shall provide Franchisor with any other data, information and supporting records that Franchisor designates from time to time, including any and all reports set forth in the Operations Manual.

10.2 **Tax Returns**. In addition to the information and materials set forth in Section 10.1, Franchisee agrees to maintain, and furnish to Franchisor within 30 days of filing: (i) complete copies of all federal, state and local tax returns, including those detailing income, sales, value added, use and service taxes, as well as employee withholding, workers' compensation, and similar reports filed by Franchisee reflecting financial activities of the Franchised Business; and (ii) Franchisee's (or Franchisee's principals') personal federal, state and local tax returns; and Franchisee hereby waives, to the extent not prohibited by applicable law, any right to object to disclosure of any tax returns.

10.3 **Right to Disclose Information**. Franchisor has the right to use and disclose data derived from the reports Franchisee furnishes to Franchisor. Franchisee hereby consents to Franchisor obtaining, using and disclosing to third parties (including, without limitation, prospective franchisees, financial institutions, legal and financial advisors), for any purpose whatsoever or as may be required by law, any financial or other information contained in or resulting from information, data, materials, statements and reports received by Franchisor or its affiliates (or disclosed to Franchisor or its affiliates) in accordance with this Agreement. Notwithstanding the foregoing, tax return data will only be disclosed to legal and financial advisors or as may be required by law.

11. BOOKS AND RECORDS

11.1 **Records and Audits**. Franchisee must establish and maintain, at its own expense, accurate business records, reports, accounts, books and data relating to the operation of the Franchised Business that conforms to the requirements and formats (including a specific chart of accounts) Franchisor prescribes from time to time. Franchisor may designate an approved bookkeeping vendor (or one of a list of vendors) that Franchisee must use and Franchisee hereby consents to such vendor providing access to any business records that Franchisor would otherwise be entitled to pursuant to the Franchise Agreement.

Franchisee may be required to use the Computer System to maintain sales data and other information and to generate the reports Franchisor requires. Franchisor may require use of a specific accounting software and version thereof as set forth in the Operations Manual, and Franchisee will be solely responsible for any associated cost.

Franchisor and Franchisor's designees have the right to inspect and/or audit Franchisee's business records at any time during normal business hours to determine whether Franchisee is current with suppliers and otherwise operating in compliance with the terms of this Agreement and the Operations Manual. Moreover, Franchisee must also provide Franchisor with access to the information generated by any software Franchisor requires Franchisee to use in connection with its bookkeeping and other accounting obligations under this Agreement, including QuickBooks (or Franchisor's then-current accounting software, if different) and Franchisor's software provider.

If any audit reveals that Franchisee has understated Franchisee's financial information, including, but not limited to, Royalty Fee or Brand Fund Contribution payments by more than 2%, or if Franchisee has failed to submit timely reports and/or remittances for any 2 reporting periods within any 12-month period, Franchisee must pay our costs and expenses, including the cost of such audit and/or inspection, and including the cost of outside auditors and attorneys (to the extent Franchisor incurs such costs), together with amounts due for Royalty Fees and other fees as a result of such underreporting and/or failure to submit reports, along with all late fees and interest which may otherwise be due under this Agreement.

11.2 **Corporate or Limited Liability Company Franchisee Records**. If Franchisee becomes a corporation, limited liability company or other business entity either prior to executing this Agreement or at any time during the term of this Agreement, the following requirements, when applicable, shall apply:

11.2.1 Copies of Franchisee's Articles of Incorporation or Charter, minutes of the annual meeting, by-laws and other governing documents, and any amendments thereto, copies of initial shareholder certificates and Shareholder Agreements, if any, and the Resolutions of the Board of Directors authorizing entry into this Agreement as required by the Franchisor and as set forth in the Operations Manual shall be promptly furnished to Franchisor.

11.2.2 Franchisee shall maintain a current list of all owners or members of record and all beneficial owners of any class of stock of Franchisee and shall furnish such list to Franchisor annually.

11.2.3 All members with, or shareholders of, Franchisee that directly or beneficially own 5% or more of Franchisee, shall jointly and severally guarantee Franchisee's performance hereunder and shall bind themselves to the terms of a Personal Guaranty in a form approved by Franchisor (see Exhibit A to this Agreement). All members and/or shareholders shall also be individually subject to the non-disclosure and confidentiality provisions set forth in this Agreement, as well as any and all in-term and post-term restrictive covenants. However, the requirements of this subsection shall not apply to any corporation registered under the Securities Exchange Act of 1934 (hereinafter known as a "Publicly Held Corporation").

11.2.4 The majority equity owner in the entity that becomes the Franchisee must complete the Initial Training Program and all other training required by the Franchisor and work directly in the day-to-day operations of the Franchised Business and devote his or her personal full-time attention, skill and best efforts to the management and operation of the Franchised Business, unless Franchisor agrees otherwise in writing.

11.2.5 All issued and outstanding stock certificates of such corporation shall bear the following legend:

EXAMPLE: "Transfers of these shares is subject to certain restrictions contained in a Franchise Agreement between and HFB RoofCo Franchising, LLC dated _____."

11.2.6 A business entity Franchisee may own multiple Franchised Businesses of the same brand, but may not own more than one brand of Franchised Business, and any such other brands must be owned and operated through a separate business entity.

12. ADVERTISING

Recognizing the value of advertising and promotion, and the importance of the standardization of advertising and promotion programs to further the goodwill and public image of the System, the parties agree as follows:

12.1 **Generally**. With regard to advertising generally for the Franchised Business, Franchisee will only use or display the advertising materials Franchisor approves in writing. If Franchisee wishes to use any advertising or promotional materials other than those currently approved for use by System franchisees, then Franchisee must submit Franchisee's proposed materials to Franchisor for approval at least 30 days prior to its intended use. Franchisor will use commercially reasonable efforts to notify Franchisee of Franchisor's approval or disapproval of the proposed materials within 15 days of the date such materials are received. If Franchisee does not receive Franchisor's written approval within 15 days, the proposed materials shall be deemed disapproved. All advertising must prominently display the Proprietary Marks and will comply with any standards for use of the Proprietary Marks that Franchisor establishes, as set forth in the Operations Manual or otherwise in writing. Franchisor may require Franchisee to discontinue the use of any advertising or marketing material within time frames prescribed by Franchisor, at Franchisee's sole cost and expense.

12.2 **Internet Website**. Franchisee must obtain and maintain adequate hardware and software in order to access the Internet at the bit speed Franchisor requires from time to time. Franchisee is prohibited, however, from establishing any website or other presence on the Internet, except as provided herein. Franchisor may unilaterally modify the provisions of this Section from time to time in its sole discretion.

12.2.1 Franchisor may, but is not obligated to, establish an Internet website that provides information about the System and the products and services offered by Franchised Businesses. In the event Franchisor exercises its right to create such a website, Franchisor shall have sole discretion and control over the website (including timing, design, content and continuation).

12.2.2 Franchisor may, but is not obligated to, create interior pages on its website(s) that contain information about Franchisee's Franchised Business and other franchised businesses. If Franchisor does create such pages, Franchisor may require Franchisee to prepare all or a portion of the page for Franchisee's Franchised Business, at Franchisee's expense, using a template that Franchisor provides. All such information will be subject to Franchisor's approval prior to posting.

12.2.3 Except as approved in advance in writing by Franchisor, Franchisee must not establish or maintain a separate website, splash page, profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the Franchised Business, including any profile on Facebook, Twitter, LinkedIn, YouTube, Pinterest, Instagram, Snapchat, or any other social media and/or networking site. If such approval is granted by Franchisor, Franchisee must: (i) establish and operate such site or page in accordance with System standards and any other policies Franchisor designates in the Operations Manual or otherwise in writing from time to time; and (ii) utilize any templates that Franchisor provides to Franchisee to create and/or modify such site(s). Franchisor will retain ownership of any and all social media or referral websites / accounts.

12.2.4 Franchisor may use a portion of the Brand Fund Contribution to pay or reimburse itself for the costs incurred in connection with the development, maintenance and update of its website.

12.2.5 Franchisee acknowledges that Franchisor and/or Franchisor's affiliates are the lawful, rightful and sole owner of the Internet domain name https://roofscientist.com/, as well as any other Internet domain names registered by Franchisor and/or Franchisor's affiliates, and unconditionally disclaims any ownership interest in such Internet domain names and any Internet domain names similar thereto. Franchisee agrees not to register any Internet domain name in any class or category that contains words used in or similar to any brand name owned by Franchisor or Franchisor's affiliates or any abbreviation, acronym, phonetic variation, or visual variation of those words.

12.3 **Brand Fund**. Franchisor has established a Brand Fund for the common benefit of System franchisees. Franchisor requires Franchisee to participate in and contribute on a monthly basis, 2% of the Franchised Business's Gross Revenue to the Brand Fund. Notwithstanding the foregoing, Franchisor reserves the right to increase the Brand Fund Contribution at any time upon providing notice to Franchisee, provided that the Brand Fund Contribution will not exceed 3% of Gross Revenue during the term of this Agreement except as provided in Section 1.1.1. Franchisee must pay the Brand Fund Contribution directly to the Brand Fund via EFT on a monthly basis on or before the 10th business day of each month based on the Gross Revenue generated during the preceding calendar month. Franchisor reserves the right to modify the frequency, manner, or method of payment upon providing reasonable notice to Franchisee.

12.3.1 Franchisor will use the Brand Fund, in Franchisor's sole discretion, for the general promotion of the Proprietary Marks and the System, including to develop , produce and distribute national, regional and/or local advertising and to create advertising materials and public relations programs which promote, in Franchisor's sole judgment, the services offered by System franchisees. Franchisor has the sole right to determine contributions and expenditures from the Brand Fund or any other advertising program, and sole authority to determine, without limitation, the selection of the advertising materials and programs, provided, however, that Franchisor will make a good faith effort to expend the Brand Fund in the general best interests of the System on a national or regional basis. Franchisor may use the Brand Fund to satisfy any and all costs of maintaining, administering, directing, preparing and producing advertising, including: (i) the cost of preparing and producing Internet, television, radio, magazine and newspaper advertising campaigns; (ii) the cost of direct mail and outdoor billboard advertising; (iii) the cost of soliciting National Accounts; (iv) the cost of public relations activities and advertising agencies; (v) the cost of developing and maintaining an Internet website; (vi) personnel and other departmental costs for advertising that Franchisor internally administers or prepares; and (vii) the costs of building partnerships with national or regional brands. Nevertheless, Franchisee acknowledges that not all System franchisees will benefit directly or on a pro rata basis from such expenditures. The Brand Fund will not be used for the direct solicitation of franchise sales, but Franchisor reserves the right to include a notation in any advertisement indicating "Franchises Available." Franchisor also reserves the right to use the Brand Fund for public relations or recognition of the brand.

12.3.2 Franchisor may periodically assist franchisees to maintain high quality standards through customer surveys, customer interviews, and other similar initiatives ("Surveys"). The cost of such programs will be borne by the Brand Fund. The cost of these programs may be charged directly to Franchisee if Franchisee's results from a Survey fall below System-established minimum standards for such Surveys.

12.3.3 Franchisor has the right to reimburse itself from the Brand Fund for such costs and overhead, if any, as Franchisor may incur in activities reasonably related to the direction and implementation of the Brand Fund.

12.3.4 In Franchisor's sole discretion, units owned and operated by Franchisor or its affiliates may, but are not obligated to, contribute to the Brand Fund. Franchisee acknowledges that the use of the Brand Fund or other advertising funds or accounts and the expenditures made thereby, may benefit Franchisor and its units, even though the units operated by Franchisor or its affiliates may or may not contribute to the Brand Fund or other advertising funds or accounts.

12.3.5 Franchisor will prepare on an annual basis, and will have available for Franchisee within one hundred twenty (120) days of the end of the fiscal year for the prior fiscal year only, a statement of contributions and expenditures for the Brand Fund. The statement will be presented to Franchisee upon Franchisee's written request. The Brand Fund is not required to be independently audited.

12.3.6 Franchisor has the right to require that an advertising cooperative and/or franchisee advisory council be formed, changed, dissolved or merged.

12.3.7 Franchisor assumes no obligation or liability to Franchisee with respect to the maintenance, direction or administration of the Brand Fund or any other advertising funds or accounts maintained in connection with this Agreement, except as expressly set forth in this Section. Franchisor may spend on behalf of the Brand Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Franchised Businesses to the Brand Fund in that year, and the Brand Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Brand Fund will be used to pay Brand Fund expenses before other assets of the Brand Fund are expended. Franchisor also has the right to cause the Brand Fund to be incorporated or operated through a separate entity at such time as Franchisor deems appropriate, and such successor entity will have all of the rights and duties specified herein.

12.3.8 Franchisee acknowledges that the Brand Fund is not a trust or an asset of Franchisor and that Franchisor is not a fiduciary to Franchisee with respect to, or a trustee of, the Brand Fund or the monies therein.

12.3.9 Franchisor may suspend or terminate the Brand Fund at any time, and any surplus funds may only be used for marketing and advertising purposes until fully expended.

12.4 **Regional Advertising and Promotional Cooperative**. Franchisor may, in Franchisor's discretion, designate any geographical area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"), and to determine whether a Cooperative is applicable to the Franchised Business. If a Cooperative is established applicable to the Franchised Business, Franchisee must participate in the Cooperative. Cooperative contributions will be credited towards the Local Advertising Requirement discussed in Section 12.5 below. The following provisions will apply to each Cooperative:

12.4.1 Each Cooperative will be organized and governed in a form and manner, and will commence operation on a date, approved in advance by Franchisor;

12.4.2 Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and developing, subject to Franchisor's approval, standardized advertising materials for use by the members in local advertising;

12.4.3 No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without Franchisor's prior approval. All such plans and materials must be submitted to Franchisor in accordance with the procedure set forth in Section 12.1 hereof;

12.4.4 Each Cooperative will have the right to require its members to make contributions to the Cooperative in such amounts as determined by the Cooperative; however, the Cooperative may, by a two-thirds majority vote of its members, require a Cooperative contribution in excess of the Local Advertising Requirement;

12.4.5 Each member franchisee must submit to the Cooperative its respective contribution, together with such other statements or reports as Franchisor may require or as may be required by the Cooperative with Franchisor's approval;

12.4.6 Franchisor may grant to Franchisee, in its sole discretion, an exemption for any length of time from the requirement of membership in a Cooperative, upon written request from Franchisee stating reasons supporting such exemption. Franchisor's decision concerning such request for exemption will be final; and

12.4.7 Franchisor will have the power to require any Cooperative to be formed, changed, dissolved or merged at any time.

12.5 **Local Advertising**.

12.5.1 *Grand Opening Marketing*. In connection with the opening of the Franchised Business, Franchisee must spend a minimum amount of $12,000 in local advertising, and as otherwise required and directed by Franchisor ("Grand Opening Marketing"). Any marketing must be conducted in accordance with Franchisor's standards and specifications, as described in the Operations Manual or this Agreement. Franchisor reserves the right to collect all or a portion of the Grand Opening Marketing. Franchisor reserves the right to increase the required spend to $22,000 as Franchisor deems necessary.

12.5.2 *Local Advertising Requirement.* In addition to the Brand Fund Contributions described above in Section 12.3, Franchisee will be required to spend the greater of: (i) 3% of Gross Revenue; or (ii) $36,000 annually on local advertising and promotion in accordance with Franchisor's standards and specifications (the Local Advertising Requirement, as defined in Section 3.6). The annual minimum Local Advertising Requirement of $36,000 is based on a monthly spend requirement of $3,000, but may, with Franchisor's written permission, vary monthly to account for seasonality and other relevant factors. Franchisor can require a minimum monthly Local Advertising Requirement spend of $3,000 per month even if the annual minimum dollar amount has been met for the year. Franchisor reserves the right to increase the Local Advertising Requirement to an amount up to 4% of Gross Revenue, upon 90 days' prior written notice. Franchisee must spend the Local Advertising Requirement as Franchisor prescribes in the Operations Manual or otherwise in writing, which may include, without limitation, requirements for placing a certain number and/or type(s) of media advertisements, promotions, sponsorships, sales expenses, engaging certain public figures to assist the Franchisee in promoting its Franchised Business, or salaries/commissions for one or more sales people with approval from Franchisor which amounts may be limited to ensure allocation of funds to appropriate local marketing channels. The Local Advertising Requirement must be expended within Franchisee's Designated Territory. Franchisee acknowledges and agrees that Franchisee's Local Advertising Requirement must be expended regardless of the amount(s) spent by other System franchisees on local advertising. Franchisee may spend any additional sums Franchisee determines on local advertising. Franchisee must use only such advertising and promotional materials as have been previously approved by Franchisor. Franchisee must submit to Franchisor proof of Franchisee's expenditures on local advertising. If you fail to meet your Local Advertising Requirement in any month, we may require you to pay us the shortfall as an additional advertising fee or to pay us the shortfall for us to spend on local advertising in your Designated Territory. All phone numbers used in local advertising by the Franchised Business of any form must be forwarded to Franchisor's Call Center.

12.6 **Advisory Council**. Franchisor reserves the right to establish an Advisory Council ("Advisory Council"). Elected franchisee(s) must participate actively in the Advisory Council as Franchisor designates and participate in all Advisory Council meetings approved by Franchisor. Franchisor reserves the right to prepare and amend the governing documents for the Advisory Council from time to time, in its sole discretion, at any time. Franchisor, in its sole discretion, will determine the topic areas to be considered by the Advisory Council. The purposes of the Advisory Council shall include but are not limited to: (i) exchanging ideas and problem-solving methods; (ii) advising Franchisor on expenditures for System-wide advertising; and (iii) coordinating franchisee efforts. Amounts and expenditures may vary from time

to time due to variations in Advisory Council participation and costs, as determined by the Advisory Council, and as approved by Franchisor. The Advisory Council shall act in an advisory capacity only. Franchisor will have the right to form, change or dissolve any Advisory Council at any time in its sole discretion.

13. INDEPENDENT BUSINESS; INDEMNIFICATION

13.1 **Independent Business Status**. Franchisee is an independent business responsible for full control over the internal management and daily operation of the Franchised Business, and neither party to this Agreement is the agent, principal, partner, employee, employer or joint venture partner of the other party. Franchisee may not act or represent itself, directly or by implication, as Franchisor's agent, partner, employee or joint venture partner, and Franchisee may not incur any obligation on Franchisor's behalf or in Franchisor's name. All stationery, business cards and contractual agreements entered into by Franchisee shall contain Franchisee's corporate or fictitious name, and a conspicuously displayed notice, in the place Franchisor designates, that Franchisee operates the Franchised Business as an independently owned and operated business, and that Franchisee independently owns and operates the Franchised Business as a System franchisee. Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, nor shall Franchisor be liable by reason of any of Franchisee's acts or omissions in the operation of the Franchised Business or for any claim or judgment arising therefrom against Franchisee or Franchisor. Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement (nor Franchisor's course of conduct) be construed to state or imply that Franchisor is the employer of Franchisee or the Franchisee's employees and/or independent contractors. It is understood and agreed by the parties hereto that this Agreement does not establish any fiduciary relationship between them.

13.2 **Indemnification**. Franchisee and Franchisee's principals agree to indemnify, defend and hold Franchisor, Franchisor's affiliates and their respective shareholders, directors, officers, employees, agents, successors and assignees ("Indemnitees") harmless against, and to reimburse them for the actual costs of all claims, obligations, liabilities, fines, losses, damages, costs and expenses (including attorneys' fees, except to the extent such fees are determined by an arbitrator or court of competent jurisdiction to be unreasonable, in which case the fees shall be adjusted to be reasonable by such arbitrator or court) ("Claims"), including any and all taxes, directly or indirectly arising out of, in whole or in part: (i) the operation of the Franchised Business, including the use, condition, or construction, equipping, maintenance or operation of the Franchised Business; (ii) Franchisee's promotion and advertising; (iii) the unauthorized use of the Proprietary Marks and other Proprietary Material; (iv) the transfer of any interest in this Agreement or the Franchised Business or assets in any manner not in accordance with this Agreement; (v) the infringement, alleged infringement, or any other violation or alleged violation by Franchisee or any of Franchisee's principals of any patent, trademark or copyright, or other proprietary right owned or controlled by third parties (subject to Franchisors obligations in 4.1.8, if any); or (vi) libel, slander, or any other form of defamation of Franchisor, the System, or any franchisee or developer operating under the System, by Franchisee or by any of Franchisee's principals, except for Claims that are determined by an arbitrator or court of competent jurisdiction to have been caused solely and directly by the indemnified party's gross negligence, willful misconduct, strict liability, or fraud. For purposes of this indemnification, "Claims" shall mean and include all obligations, actual, consequential, punitive, and other damages and costs reasonably incurred in the defense of any action, including attorneys', attorney assistants' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether or not such claims exceed the amount of insurance coverage available through Franchisee to Franchisor. Franchisor shall have the right to defend any such claim against it in such manner as Franchisor deems appropriate or desirable, in Franchisor's sole discretion. Such an undertaking by Franchisor shall, in no manner or form, diminish Franchisee's, and each of Franchisee's principals',

obligations to indemnify the Indemnities and to hold them harmless. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

14. SALE OR TRANSFER

14.1 **Transfer**. Franchisee's rights under this Agreement are personal, and Franchisee shall not sell, transfer, assign or encumber Franchisee's interest in the Franchised Business without Franchisor's prior written consent. Any sale, transfer, assignment or encumbrance made without Franchisor's prior written consent shall be voidable at Franchisor's option and shall subject this Agreement to termination as specified herein. For purposes of this Agreement, "Transfer" as a verb means to sell, assign, give away, transfer, pledge, mortgage or encumber, voluntarily, involuntarily, or by operation of law (such as through divorce or bankruptcy proceedings), any interest in this Agreement, the Franchised Business, substantially all the assets of the Franchised Business, or in the ownership of the Franchised Business (if you are an entity). "Transfer" as a noun means any sale, assignment, gift, transfer, pledge, mortgage or encumbrance. Franchisor will not unreasonably withhold, condition, or delay a request to transfer by Franchisee. Franchisee acknowledges and agrees that the conditions set forth for transfer in this Section 14 are reasonable.

14.2 **Death or Disability**.

14.2.1 *Representative's Right to Continue as Franchisee*. In the event of Franchisee's death, disability or incapacitation (or the death, disability or incapacitation of Franchisee's partners or personal guarantors), Franchisee's legal representative, or Franchisee's partner's or guarantor's respective legal representative, as applicable, will have the right to continue the operation of the Franchised Business as franchisee under this Agreement if: (i) within one hundred eighty (180) days from the date of death, disability or incapacity (the "180-Day Period"), such person: (a) meets Franchisor's then-current standards to become a franchisee, as described in Section 14.3.2.6; and (b) has obtained Franchisor's prior written approval and has executed Franchisor's then-current franchise agreement for the unexpired term of the franchise, or has furnished a personal guaranty of any partnership, corporation or limited liability company guarantying franchisee's obligations to Franchisor and Franchisor's affiliates; and (ii) such person successfully completes Franchisor's training program (which Franchisor will provide at Franchisor's then-current tuition rate). Such assignment by operation of law will not be deemed in violation of this Agreement, provided such heirs or legatees accept the conditions imposed by the Franchise Agreement and are acceptable to Franchisor. However, in the case of a transfer by demise or inheritance, if the heirs or beneficiaries of any deceased person are unable to meet the conditions contained in this Agreement, the personal representative of the deceased Franchisee will have a reasonable time, in Franchisor's sole discretion, which shall not exceed one hundred eighty (180) days from the date or transfer by demise or inheritance, to dispose of the deceased's interest in the Franchised Business, and such disposition will be subject to all the terms and conditions for transfer contained in this Agreement. If the interest is not disposed of in the manner and time frame provided in the immediately preceding sentence, then Franchisor may terminate this Agreement.

14.2.2 *Franchised Business Operation During and After 180-Day Period.* Franchisor is under no obligation to operate the Franchised Business or incur any obligation on behalf of any incapacitated franchisee during or after the 180-Day Period. If necessary, Franchisee (or Franchisee's legal representative, as applicable) shall appoint a previously approved acting interim manager to operate the Franchised Business during the 180-Day Period. In the event of Franchisee's death, disability, absence or otherwise, Franchisor may (but is not required to) operate Franchisee's Franchised Business on Franchisee's behalf and at Franchisee's expense for such period of time (and under such terms and conditions) as Franchisor determines, including paying out the assets and/or revenues of the Franchised Business to cover any or all past, current and/or future obligations of the Franchised Business (including

any amounts owed to Franchisor and/or any affiliate) in such priorities as Franchisor determines from time-to-time in Franchisor's sole and absolute discretion. Franchisor may pay itself its then-current fee to reimburse Franchisor for Franchisor's management services and other costs. Franchisor may obtain approval of a court or arbitrator for any such arrangements, the attorneys' fees and other costs incurred in connection with obtaining such approval to be charged against the assets and/or revenues of the Franchised Business. Franchisee (and/or Franchisee's estate) will indemnify Franchisor against any costs and/or liabilities incurred by it in connection with, or related in any way to, the operation (or otherwise) of the Franchised Business.

14.3 **Ownership Changes**. A sale, transfer or assignment requiring Franchisor's prior written consent shall be deemed to occur: (i) if Franchisee is a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of Franchisee's voting stock or any increase in the number of outstanding shares of Franchisee's voting stock which results in a change of ownership; (ii) if Franchisee is a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) if Franchisee is a limited liability company, upon the assignment, sale, pledge or transfer of any interest in the limited liability company. Any new partner, shareholder, or member or manager will be required to personally guarantee Franchisee's obligations under this Agreement.

14.3.1 *Right of First Refusal.* If Franchisee proposes to transfer either this Agreement or all, or substantially all, of the assets used in connection with the Franchised Business or any interest in Franchisee's lease to any third party (other than a corporation or limited liability company as set forth herein), Franchisee shall first offer to sell such interest to Franchisor on the same terms and conditions as offered by such third party. Franchisee shall obtain from the third party and provide to Franchisor a statement in writing, signed by the third party and Franchisee, of the terms of the offer ("Letter of Intent"). If Franchisor elects not to accept the offer within a 30-day period, Franchisee shall have a period not to exceed 120 days to complete the transfer described in the Letter of Intent, subject to the conditions for approval set forth herein. Franchisee shall effect no other sale or transfer as contemplated under the Letter of Intent without first complying with this Section. Any significant change in the terms of the offer shall be deemed a new proposal, subject to Franchisor's right of first refusal. So long as Franchisee has obtained Franchisor's prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner, shareholder or member, or a transfer as a result of the death, disability or incapacitation of a shareholder or partner in accordance with the provisions set forth below, is not subject to Franchisor's first right of refusal. In the event the consideration, terms and/or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within 30 days on the reasonable equivalent in cash of the consideration, terms and/or conditions offered by the third party, an independent appraiser shall be designated by Franchisor at Franchisor's expense, and the appraiser's determination shall be binding.

14.3.2 *Conditions for Approval*. Franchisee shall notify Franchisor in writing of any proposed transfer of this Agreement, any direct or indirect interest in Franchisee, or in all or substantially all of the assets of the Franchised Business, at least 30 days before such transfer is proposed to take place. Franchisor may condition Franchisor's approval of any proposed sale or transfer of the Franchised Business or of Franchisee's interest in this Agreement upon satisfaction of the following occurrences:

14.3.2.1 All of Franchisee's accrued monetary obligations to Franchisor, Franchisor's affiliates, and Franchisor's designated/approved suppliers and vendors must be satisfied;

14.3.2.2 Franchisee must cure all existing defaults under this Agreement or any other agreement between Franchisee and Franchisor, Franchisor's affiliates, and Franchisor's

designated/approved suppliers and vendors within the period permitted for cure, and have substantially complied with such agreements during their respective terms;

14.3.2.3 Franchisee and Franchisee's principals (if Franchisee is a partnership, corporation or limited liability company), and the transferee (if it has had any previous relationship with Franchisor or Franchisor's affiliates), must execute a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates and officers, directors, shareholders and employees, in their corporate and individual capacities; provided, however, the general release shall not be inconsistent with any applicable state statute regulating franchising;

14.3.2.4 Transferor and transferee must execute a a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates and officers, directors, shareholders and employees, in their corporate and individual capacities; provided however, the general release shall not be inconsistent with any applicable state statute regulating franchising;

14.3.2.5 Franchisee or transferee must provide Franchisor a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee's assumption of an agreement to faithfully perform all of Franchisee's obligations under this Agreement;

14.3.2.6 Transferee must demonstrate to Franchisor's satisfaction that he or she: (i) meets Franchisor's educational, managerial and business standards; (ii) possesses a good moral character, business reputation and credit rating; (iii) has the aptitude and ability to conduct the business to be transferred; and (iv) has adequate financial resources and capital to meet the performance obligations under this Agreement; however, transferee shall not be in the same business as Franchisor either as licensor, franchisor, independent operator or licensee of any other business or chain which is similar in nature or in competition with Franchisor, except that the transferee may be an existing franchisee of ours;

14.3.2.7 At Franchisor's option, transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) either: (i) enters into a written assignment, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement; or (ii) execute Franchisor's then-current franchise agreement, and will receive a full then-current initial term for a franchisee, which term will commence on the date the transferee executes the then-current Franchise Agreement;

14.3.2.8 Franchisee must pay Franchisor a transfer fee (in lieu of an Initial Franchise Fee for a new franchisee) equal to $10,000 per Designated Territory that is being transferred to transferee. A non-refundable deposit of $3,000 of the Transfer Fee is due with Franchisee's written notice of proposed transfer and the balance of $7,000 is due upon Franchisor's approval at closing. In the event Franchisee transfers multiple Designated Territories at once, Franchisor reserves the right, but not the obligation, in Franchisor's sole discretion, to reduce the transfer fee for any of the Designated Territories being transferred by any amount;

14.3.2.9 Transferee shall satisfactorily complete Franchisor's training program at the transferee's expense within the time frame Franchisor sets forth;

14.3.2.10 Franchisee (and Franchisee's principals if Franchisee is a partnership, corporation or limited liability company) and the members of their respective families must comply with the post-termination provisions of this Agreement;

14.3.2.11 Transferee must obtain, within the time limits set by Franchisor, and maintain thereafter, all permits and licenses required for the operation of the Franchised Business;

14.3.2.12 To the extent required by the terms of any leases or other agreements, the lessors or other parties must consent to the proposed transfer;

14.3.2.13 The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;

14.3.2.14 Franchisee must ensure that all projects in progress at the time of the transfer will be continued without interruption, and transferee must promptly notify all current customers of the change in ownership;

14.3.2.15 The purchase price and terms of the proposed transfer must not be so burdensome to the prospective transferee as to impair or threaten its future operation of the Franchised Business and performance under its franchise agreement;

14.3.2.16 Franchisee must request that Franchisor provide the prospective transferee with Franchisor's current form of Franchise Disclosure Document and Franchisor will not be liable for any representations not included in the Franchise Disclosure Document by Franchisee or any of it's agents;

14.3.2.17 Franchisor's approval of the transfer will not constitute a waiver of any claims Franchisor may have against the transferring party;

14.3.2.18 Franchisor will have the right to disclose to any prospective transferee such revenue reports and other financial information concerning Franchisee and Franchisee's Franchised Business as Franchisee has supplied Franchisor hereunder; and

14.3.2.19 Franchisor may condition the approval of a transfer on resizing the territory(ies) into a territory or multiple territories consistent with the then current size of territory being sold, which may result in more territories with separate franchise agreements and the requirement for a multi-unit addendum.

14.4 **Transfer to a Corporation or Limited Liability Company**. If Franchisee is an individual and desires to assign its rights under this Agreement to a corporation or limited liability company, and if all of the following conditions are met, Franchisor will consent to the transfer without assessing the transfer fees set forth above, and such assignment will not be subject to Franchisor's right of first refusal in Section 14.3.1:

14.4.1 The corporation or limited liability company is newly organized and its activities are confined to operating the Franchised Business;

14.4.2 Franchisee is, and at all times remains, the owner of at least fifty-one percent (51%) of the outstanding shares of the corporation or a controlling interest in the limited liability company;

14.4.3 The corporation or limited liability company agrees in writing to assume all of Franchisee's obligations hereunder;

14.4.4 All stockholders of the corporation, or members and managers of the limited liability company, as applicable, must execute Franchisor's prescribed form of personal guaranty;

14.4.5 At Franchisor's request, Franchisee will furnish true and correct copies of all documents and contracts governing the rights, obligations and powers of Franchisee's owners and agents (such as articles of incorporation or organization and partnership, operating or shareholder agreements and similar documents);

14.4.6 Franchisee and Franchisee's principals (if Franchisee is a partnership, corporation or limited liability company), and transferee (if it has had any previous relationship with Franchisor or Franchisor's affiliates), must execute a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates and officers, directors, shareholders and employees, in their corporate and individual capacities; provided, however, the general release shall not be inconsistent with any applicable state statute regulating franchising; and

14.4.7 *Non-Traditional Ownership Structures*. Franchisor may, but is not obligated to, approve a Transfer to or allow ownership by an ESOP, trust or private equity firm ("Non-traditional Ownership") and any request to Transfer to an ESOP, trust or private equity firm may be denied in our sole discretion. However, if Franchisor does approve a Transfer by an ESOP, trust or private equity firm, we may impose additional requirements that include, but are not limited to, the following: (a) the ownership and related requirements set forth in Section 14.4.7.1; (b) additional financial covenants; (c) additional insurance requirements; (d) an enhanced right to purchase the Franchised Business, and (e) such other conditions that Franchisor deems appropriate in Franchisor's Business Judgment.

14.4.7.1 *Operational Control-Non-Traditional Entities*. ESOP or other trust ownership of the Franchised Business is permitted only with our prior written permission, which may be granted or withheld in our sole discretion. At all times, the guarantors directly will: (i) control all aspects of Franchisee and the operation of the Franchised Business; and (ii) serve as trustee of the trust and retain sole control over the voting of the trust's equity interest in the Franchisee. The Trustee must at all times be an individual and must meet the then-current requirements of franchise ownership. Any change in trustee is deemed a Transfer and is subject to approval as set forth in this Agreement. Any change in beneficiaries is deemed a Transfer. Any such Transfer is subject to approval conditions and other rights Franchisor has as set forth in this Agreement. You acknowledge and agree that: (i) if the guarantors do not maintain operational control respecting each of: (a) the Franchised Business; (b) the Franchisee; and (c) the trust, such an event will constitute a Transfer as described in Article 14 of this Agreement and Franchisee must comply with all applicable provisions of such Article; and (ii) if the guarantors desire to turn over operational control respecting the Franchisee, the trust, or the Franchised Business to one or more trust beneficiaries, such beneficiaries must satisfy all conditions to consent as described in Article 20 of this Agreement. The trust must be and remain a revocable trust. If by operation of law or otherwise the trust converts to an irrevocable trust, the trust must divest ownership of the Franchised Business to an approved person or entity pursuant to the terms of Article 14 of this Agreement. The trust must contain a provision equivalent to and granting the trustee the following powers with regard to trust assets: "The trustee may exercise all rights of an absolute owner with respect to stocks, other securities, and closely held business interests. The trustee is hereby authorized to sell, convey, pledge, mortgage, lease or transfer title to any interest in the trust property for a period within or extending beyond the duration of the trust."

14.5 **Franchisor's Right to Transfer**. Franchisor has the right to sell, transfer, assign, and/or encumber all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Agreement, in Franchisor's sole discretion without consent from or prior notice to Franchisee.

15. BREACH AND TERMINATION

15.1 **Automatic Termination**. This Agreement shall automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:

15.1.1 *Voluntary Bankruptcy.* If Franchisee makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy, is adjudicated bankrupt or insolvent, files or acquiesces in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consents to or acquiesces in the appointment of a trustee or receiver for Franchisee or the Franchised Business.

15.1.2 *Involuntary Bankruptcy.* If proceedings are commenced to have Franchisee adjudicated bankrupt or to seek Franchisee's reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within sixty (60) days, or a trustee or receiver is appointed for Franchisee or the Franchised Business without Franchisee's consent, and the appointment is not vacated within 60 days.

15.1.3 *Loss of Premises*. If Franchisee loses the right to occupy the Franchised Business premises or operate the Franchised Business from the Approved Location and such location is not replaced with an approved location within 180 days after loss of the right to occupy the original site.

15.2 **With Notice and Without Opportunity to Cure**. Franchisor has the right to terminate this Agreement upon notice without providing Franchisee an opportunity to cure for any of the following breaches or defaults:

15.2.1 *Criminal Acts.* If Franchisee or Franchisee's principals are convicted of or plead guilty or no contest to a felony (whether or not related to the Franchised Business) or other offense related to the operation of the Franchised Business or that Franchisor believes, in its sole discretion, is likely to have an adverse effect on the Proprietary Marks or the goodwill associated therewith.

15.2.2 *Fraud.* If Franchisee or Franchisee's principals commit any fraud or misrepresentation in the operation of the Franchised Business.

15.2.3 *Other Actions.* If Franchisee or Franchisee's principals, including any shareholder, member, guarantor or agent, engages in activity or conduct that materially impairs the goodwill associated with the System or the Proprietary Marks and fails to cease and correct such activities or conduct within 24 hours of Franchisee's receipt of written notice of a breach under this Section. Franchisee will have only one opportunity to cure under this section. Any subsequent violation after the first violation is subject to immediate termination without an opportunity to cure.

15.2.4 *Misrepresentation.* If Franchisee or Franchisee's principals make any misrepresentation or omission in connection with Franchisee's franchise application, including, but not limited to, any financial misrepresentation.

15.2.5 *Failure to Complete Training.* If Franchisee (and/or Franchisee's Designated Manager, if applicable) fails to complete the Initial Training Program as provided in Section 8.

15.2.6 *Repeated Breaches.* If Franchisor sends Franchisee 2 or more written notices of default pursuant to Sections 15.3 or 15.4 hereof in any 12-month period, regardless of whether the defaults set forth in the notices were subsequently cured.

15.2.7 *Breach of Other Agreements.* If Franchisee or Franchisee's principals materially breach any other agreement with Franchisor or any of Franchisor's affiliates, or threaten any material breach of any such agreement, or any lease for the Approved Location, and fails to cure such breach within any permitted period for cure. This provision does not apply to the breach of agreements related to Franchise Agreements with Franchisor's affiliated Franchisors of a different brand than the franchise to be operated under this Franchise Agreement.

15.2.8 *Misuse of the Proprietary Marks or Confidential Information*. If Franchisee or Franchisee's principals violate any provision hereof pertaining to Proprietary Marks or Confidential Information or misuse the Proprietary Marks or Confidential Information.

15.2.9 *Disclosure of Confidential Information or Trade Secrets*. If Franchisee or Franchisee's principals disclose or divulge the contents of the Operations Manual or any other Confidential Information or Trade Secret provided to Franchisee by Franchisor or any of its affiliates to any third party.

15.2.10 *Violation of Law.* If Franchisee violates any law, ordinance or regulation, or operates the Franchised Business in a manner that presents a health or safety hazard to customers or the general public that is not cured within 15 days. A cure requires that Franchisee put in place an action plan to prevent the occurrence of any similar violation in the future. The cure period does not apply to any repeated occurrence of the same or similar breach in the future.

15.2.11 *Violation of In-term Restrictive Covenant.* If Franchisee violates the in-term restrictive covenant contained in Section 17.1, or any of the other restrictive covenants set forth in this Agreement.

15.2.12 *Liens.* If a levy of writ of attachment or execution or any other lien is placed against Franchisee or any of Franchisee's principals or any of their assets which is not released or bonded against within 30 days.

15.2.13 *Insolvency.* Except for adjudicated insolvency which is subject to automatic termination pursuant to 15.1.1, if Franchisee or any of Franchisee's principals become insolvent or admits insolvency other than by adjudication.

15.2.14 *Abandonment.* If Franchisee voluntarily or otherwise abandons the Franchised Business. The term "abandon" includes any objective conduct which indicates a desire or intent to discontinue the Franchised Business for 7 days or more without Franchisor's prior written consent.

15.2.15 *Unauthorized Transfer*. If Franchisee purports to sell, transfer or otherwise dispose of any interest in the Franchised Business (including the sale of assets of the Franchised Business) in violation of Section 14 hereof and does not void such transfer, or otherwise come into compliance with its transfer obligations set forth in Section 14 related to such transfer within 30 calendar days of notice from Franchisor.

15.2.16 *Unauthorized Products or Services.* If Franchisee offers any unauthorized and unapproved products or services at or from the Franchised Business and fails to immediately cease offering the unauthorized Products or Services, unless and until such Products or Services are approved through the alternative product or supplier approval process.

15.2.17 *Unapproved Purchases.* If Franchisee orders or purchases supplies, signs, furnishings, fixtures, equipment or inventory from an unapproved supplier or which Franchisor has not

approved and fails to immediately cease the unapproved purchases, unless and until such purchases are approved through the alternative product or supplier approval process.

15.2.18 *Proprietary Software.* If Franchisee misuses or makes unauthorized use of any Proprietary Software Franchisor may develop for use in connection with the System and does not immediately cease use of such unauthorized use of such software.

15.2.19 *Insurance.* If, within 48 hours of notice from Franchisor, Franchisee fails to maintain insurance or to repay Franchisor for insurance paid for by it, or otherwise fails to adhere to the requirements of Section 9.

15.2.20 *Government Regulations.* If Franchisee fails, within 15 calendar days after notification of non-compliance by federal, state or local government authorities, to comply with any law or regulation applicable to the Franchised Business.

15.2.21 *Government Actions.* If any government action is taken against Franchisee that results in any obligation upon Franchisor which, in Franchisor's sole judgment, is uneconomical, not in the best interests of Franchisor, or would result in Franchisor having an unintended relationship or obligation.

15.2.22 *Anti-Terrorist Activities.* If Franchisee fails to comply with the provisions of Section 22.8.

15.2.23 *Personal Use of Franchised Business Property*. If Franchisee takes for Franchisee's own personal use any assets or property of the Franchised Business, including employee taxes, FICA, insurance or benefits. Notwithstanding the foregoing, the incidental and innocuous use of Franchised Business assets is not considered a default except to the extent such use causes or results in a claim or liability for Franchisee or Franchisor, or in Franchisor's sole determination may damage to the good will of the system.

15.2.24 *Insufficient Funds.* If there are insufficient funds in Franchisee's bank account to cover a check or EFT payment to Franchisor 2 or more times within any 12-month period.

15.2.25 *Failure to Open.* If Franchisee fails to commence operations of the Franchised Business within the time prescribed in Section 7.3 of this Agreement.

15.2.26 *Operating Outside of Designated Territory*. If Franchisee operates the Franchised Business outside of the Designated Territory without Franchisor's prior written consent, as provided in Section 1.2 of this Agreement.

15.2.27 *Violation of Best Efforts.* If Franchisee or Franchisee's principals violate any of the provisions in Section 7.10 of this Agreement.

15.2.28 *Loss of Immigration Status Necessary to live and work in the United States.* If Franchisee or its owners fail to maintain an immigration status that allows Franchisee and/or such owners to live and work in the United States

15.3. **Upon 15 Days' Notice to Cure**. Franchisor has the right to terminate this Agreement if any of the following defaults remain uncured after Franchisor provides Franchisee with notice of such default(s) and 15 days to cure:

15.3.1 *Nonpayment.* If Franchisee fails to pay Franchisor as and when due any sums owed to Franchisor, any of Franchisor's affiliates, or any of Franchisor's System Suppliers, Approved Suppliers, or vendors.

15.3.2 *Endorsement of Checks.* If Franchisee fails to immediately endorse and deliver to Franchisor any payments due to Franchisor from any third party that is erroneously made to Franchisee.

15.3.3 *Failure to Maintain Sufficient Marketing Materials and Supplies*. If Franchisee fails to maintain sufficient inventory of marketing materials and other supplies necessary to adequately develop the Designated Territory and meet consumer demand.

15.3.4 *Interruption of Service.* If Franchisee fails to maintain the prescribed months, days or hours of operation at the Franchised Business (this provision does not modify the right to termination for abandonment set forth in 15.2.14 without an opportunity to cure).

15.3.5 *Failure to Personally Supervise Franchised Business Operations or Employ Adequate Personnel.* If Franchisee or the Designated Manager fails, in Franchisor's sole discretion, to personally supervise day-to-day operation of the Franchised Business or fails to employ a sufficient number of qualified, competent personnel to operate the business in compliance with brand standards.

15.3.6 *Quality Control.* If Franchisee fails to maintain the strict quality controls reasonably required by this Agreement and/or the Operations Manual.

15.3.7 *Licenses and Permits.* If Franchisee fails to procure or maintain any licenses, certifications or permits necessary for the operation of the Franchised Business. The cure period for a breach of 15.3.7 will be extended for the amount of time necessary to obtain a required license so long as franchisee is diligently pursuing licensure and is using the license of another person to legally operate the business until Franchisee obtains licensure.

15.4 **Upon 30 Days' Notice to Cure**. Franchisor has the right to terminate this Agreement if Franchisee fails to perform or comply with any other term or condition of this Agreement or any ancillary agreements between Franchisee and Franchisor or Franchisor's affiliates, and Franchisee fails to cure such default(s) within 30 days after being provided with notice thereof. The cure period will be extended for a period of up to 30 days if: a) the breach cannot reasonably be cured within the original cure period, or b) Franchisee is diligently pursuing a cure of the breach but is unable to complete the cure due to circumstances outside of Franchisee's control.

15.5 **Nonwaiver**. Franchisor's delay in exercising or failing to exercise any right or remedy under this Agreement or Franchisor's acceptance of any late or partial payment due hereunder shall not constitute a waiver of any of Franchisor's rights or remedies against Franchisee.

16. RIGHTS AND DUTIES UPON TERMINATION OR EXPIRATION

16.1 **Franchisee's Obligations**. Upon termination of this Agreement, or the expiration or termination of any Holdover Period, regardless of the cause, and upon expiration and nonrenewal or transfer of this Agreement, Franchisee must, at Franchisee's cost and expense:

16.1.1 Immediately cease all operations under this Agreement;

16.1.2 Immediately pay Franchisor all unpaid fees, and pay Franchisor, Franchisor's affiliates, Franchisor's major suppliers and vendors, all other monies owed;

16.1.3 Immediately discontinue the use of the Proprietary Marks;

16.1.4 Immediately cease using the Business Management and Technology System and the Operations Manual, and return all Proprietary Materials and Confidential Information, including, without limitation, all customer lists and data, within 10 calendar days and immediately and permanently cease use of such information and materials;

16.1.5 Immediately cease using all telephone and facsimile numbers and listings, as well as any permitted domain names and/or social media pages used in connection with the operation of the Franchised Business (collectively, the "Assigned Property"), and direct the telephone company and/or domain name registrar to transfer all such Assigned Property to Franchisor or Franchisor's designee, and transfer all usernames and passwords for all social media pages to Franchisor;

16.1.6 Immediately de-identify and vacate the Franchised Business premises (for purposes of this provision, "de-identify" means removing or obliterating all signage, displays and other materials that bear any of the Proprietary Marks, confusingly similar trademarks or service marks, any Works, any trade dress, and altering the appearance of the Franchise Business premises so that it no longer resembles a business operating under the System);

16.1.7 Immediately surrender all stationery, printed matter, signs, advertising materials, supplies and other items containing the Proprietary Marks, as Franchisor directs, and all items which are a part of the trade dress of the System no later than 10 calendar days after the termination or expiration of this Agreement;

16.1.8 Immediately cease holding itself out as Franchisor's Franchisee;

16.1.9 Immediately cease to communicate with all customers of the Franchised Business;

16.1.10 Take such action as shall be necessary to amend or cancel any assumed name, business name or equivalent registration which contains any trade name or other Proprietary Mark Franchisor licensed to Franchisee, and furnish Franchisor evidence satisfactory to Franchisor of compliance with this obligation within 15 calendar days after the termination, expiration or transfer of this Agreement;

16.1.11 Permit Franchisor to make a final inspection of Franchisee's financial records, books, and other accounting records within 2 years of the effective date of termination, expiration, or transfer;

16.1.12 Comply with the post-termination covenants set forth in Section 17 hereof, all of which shall survive the transfer, termination or expiration of this Agreement;

16.1.13 Cease to use in advertising or in any other manner, any methods, procedures or techniques associated with Franchisor or the System;

16.1.14 Immediately remove Franchisor's Proprietary Marks from vehicles used in connection with the Franchised Business, and otherwise de-identify the vehicles from being associated with Franchisor or the System;

16.1.15 Execute from time to time any necessary papers, documents, and assurances to effectuate the intent of this Section 16;

16.1.16 As applicable, provide Franchisor with access and any account information regarding any social media accounts used in connection with the Franchised Business; and

16.1.17 Reimburse Franchisor in connection with any costs Franchisor incurs in connection with enforcing Franchisee's obligations under this Section 16.

16.2 **Option to Purchase Personal Property**. Upon the termination or expiration of this Agreement, or the expiration or termination of any Holdover Period, Franchisor, or Franchisor's designee shall have the option, but not the obligation, to purchase any personal property used in connection with operation of the Franchised Business by providing Franchisee written notice of Franchisor's election within 60 calendar days after such termination or expiration and paying Franchisee the fair market value for such personal property within 60 calendar days of such notice. The fair market value will be determined by an independent appraiser or broker selected by Franchisee and Franchisor and subject to the limitations provided herein. The independent appraiser/broker must have 7 years substantive experience valuing the same or similar assets. If the parties cannot agree on an appraiser/broker, each party will choose one and the two chosen appraisers/brokers will choose a third person and the fair market value will be the average of all three valuations. All sales, transfer and/or similar taxes are to be paid by Franchisee. Notwithstanding the foregoing, to the extent that Franchisor exercises Franchisor's right to purchase any personal property that is subject to a lease or finance agreement, the purchase price of such personal property shall equal the amount of Franchisee's remaining obligations under the lease or finance agreement, as applicable, or the fair market value less the remaining obligations on the finance agreement, as applicable, which Franchisor would assume or pay off. Franchisor shall be entitled to offset the purchase price by the amount of money owed by Franchisee to Franchisor for any payments necessary to acquire clear title to property or for any other debt. If Franchisor exercises Franchisor's option to purchase, pending the closing of such purchase, Franchisor has the right to appoint a manager to maintain operation of the Franchised Business, or Franchisor may require that Franchisee close the Franchised Business during such period without removing any assets. Franchisee is required to maintain in force all insurance policies required under this Agreement until the date of such closing. Franchisor has the unrestricted right to assign this option to purchase the Franchised Business. Franchisor will be entitled to all customary warranties and representations in connection with Franchisor's purchase of Franchisee's property, including, without limitation, representations and warranties as to ownership and condition of and title to the property; liens and encumbrances on the property; validity of contracts and agreements; and liabilities affecting the property, contingent or otherwise.

16.3 **Exclusions**. Franchisor may exclude from the personal property purchased under Section 16.2 cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not reasonably necessary (in function or quality) to the Franchised Business's operation or that Franchisor has not approved as meeting standards for the Franchised Business.

16.4 **Damages, Costs, and Expenses**. In the event of termination for any default by Franchisee, Franchisee shall promptly pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of Franchisee's personal property, furnishings, equipment, signs, fixtures and inventory related to the operation of the Franchised Business.

17. COVENANTS

Franchisee acknowledges that as a participant in Franchisor's System, Franchisee will receive proprietary and Confidential Information and materials, Trade Secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore, to protect Franchisor, the Franchisor's System, and Franchisor's other franchisees, Franchisee agrees as follows:

17.1 **During the Term of this Agreement**. During the term of this Agreement, and during any Holdover Period, neither Franchisee, Franchisee's owners, officers, directors, principals, nor any member of the immediate family of Franchisee or Franchisee's owners, officers, directors, or principals will, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

17.1.1 Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, or have any interest in any other business that, directly or indirectly, by itself or through licensees or franchisees, offers the Approved Products and/or Approved Services or any other products and/or services authorized or offered for sale by System franchisees (a "Competitive Business") within the Designated Territory or the Designated Territory of any other System franchisee, provided that this Section 17.1.1 does not apply to: (i) such person's ownership of a Franchised Business under a Franchise Agreement with Franchisor; or (ii) such person's ownership of a less than five percent (5%) legal or beneficial interest in any publicly traded company providing such services; or

17.1.2 Solicit any current, former or prospective customer solicited by Franchisee's Franchised Business or any other customer of whom Franchisee has become aware as a result of access to Franchisor's System, or other franchisees for any competitive purpose.

17.2 **After the Term of this Agreement**. For a period of 2 years after the expiration, transfer or termination of this Agreement, or after the expiration or termination of any Holdover Period, regardless of the cause, neither Franchisee, Franchisee's owners, officers, directors, principals, nor any member of the immediate family of Franchisee or Franchisee's owners, principals, officers or directors will, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

17.2.1 Own, maintain, engage in, be employed as an officer, director, principal of, lend money to, extend credit to, or have any interest in any Competitive Business: (a) within the Designated Territory; (b) within a 25-mile radius of the Designated Territory of any other Franchised Business; or (c) within a 25-mile radius of any System business operated by Franchisor or its affiliates, provided that this Section 17.2.1 does not apply to: (i) such person's ownership of a Franchised Business under a Franchise Agreement with Franchisor; or (ii) such person's ownership of a less than five percent (5%) legal or beneficial interest in any publicly traded company providing services the same as or similar to a Competitive Business; or

17.2.2 Solicit any current, former or prospective customer solicited by Franchisee's Franchised Business or any other customer of whom Franchisee has become aware as a result of access to Franchisor's System, or other franchisees for any competitive purpose.

17.3 **Intent and Enforcement**. It is the parties' intent that the provisions of this Section 17 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section 17 by Franchisee, any of Franchisee's principals, or any member of the immediate family of Franchisee or Franchisee's principals, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Franchisee acknowledges that the covenants contained herein are necessary to protect the goodwill associated with the Franchised Business, other System franchisees, and the System. Franchisee further acknowledges that covenants contained in this Section 17 are necessary to protect Franchisor's Confidential Information, procedures and know-how made available to Franchisee during the term of this Agreement. Franchisee agrees that in the event of the actual or threatened breach of

this Section 17, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee acknowledges and agrees on Franchisee's own behalf, and on behalf of the persons who are liable under this Section 17, that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 17 in no way prevent any such person from earning a living. Franchisee further acknowledges and agrees that the time limitations of this Section 17 shall be tolled during any default under this Section.

17.4 **Employees**. Franchisee shall ensure that Franchisee's principals, managers, employees, and anyone else who will have access to Franchisor's Confidential Information, execute a Confidentiality and Restrictive Covenant Agreement in the form attached to the Franchisor Disclosure Document as Exhibit D, or as Franchisor, in Franchisor's sole discretion, otherwise prescribes. Franchisee must furnish Franchisor a copy of each executed agreement.

17.5 **No Defense**. Franchisee hereby agrees that the existence of any claim Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to Franchisor's enforcement of the covenants contained in this Section 17. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) that Franchisor incurs in connection with the enforcement of this Section 17.

18. DISPUTE RESOLUTION

18.1 **Choice of Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without reference to its conflict of laws principles.

18.2 **Internal Dispute Resolution**. Franchisee and Franchisor believe that it is important to resolve any disputes amicably, quickly, cost-effectively and professionally and to return to business as soon as possible. Franchisee and Franchisor have agreed that the provisions of this Section 18 support these mutual objectives and, therefore, agree as follows: any disagreement, litigation, claim, dispute, suit, action, controversy or proceeding of any type whatsoever, including any claim for equitable relief and/or where Franchisee is acting as a "private attorney general," suing pursuant to a statutory claim or otherwise between or involving Franchisee and Franchisor on whatever theory and/or facts based, and whether or not arising out of this Agreement (including any dispute or disagreement relating to arbitration, including the arbitrability of this Agreement or any of its provisions) or offer, sale or negotiation of a Roof Scientist Franchise, or the relationship of the parties arising from the Franchise or from entering into this Agreement, or any claim that this Agreement or any part of this Agreement is invalid, illegal or otherwise voidable, void or unenforceable ("Dispute") will be processed in the following manner, Franchisee and Franchisor each expressly waiving all rights to any court proceeding, except as expressly provided below in Section 18.3.1. Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's management after providing notice as set forth in Section 18.6 below. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement. Franchisee and Franchisor agree that the franchise relationship is unique and that as a result it is important that anyone who serves as a mediator or arbitrator in a Dispute must have a minimum of 7 years' substantive experience in franchise law.

18.3 **Mediation/Arbitration**. If Franchisee and Franchisor are unable to resolve a Dispute using the internal dispute resolution procedure set forth in Section 18.2 above the Dispute must be submitted first to non-binding mediation in Mecklenburg County, North Carolina under the auspices of the American Arbitration Association ("AAA") in accordance with AAA's Commercial Mediation Rules then in effect. The mediation will be conducted by one mediator with at least 7 years of substantive experience in franchise law who will be appointed under the AAA's Commercial Mediation Rules and who will conduct the

mediation in accordance with such rules. Mediation must be conducted on an individual, not a class-wide, basis; only Franchisor (and/or its affiliates and its and their respective owners, officers, directors, agents and employees) and Franchisee (and/or its owners, guarantors, affiliates, officers, directors, agents and employees, if applicable) may be the parties to any mediation proceeding described in this Section, and no such mediation proceeding may be consolidated with any other mediation proceeding between Franchisor and any other person, corporation, limited liability company or partnership. Franchisor and Franchisee agree that statements made by Franchisor, Franchisee or any other party in any such mediation proceeding will not be admissible in any arbitration or other legal proceeding. If the mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) if the mediation does not resolve the dispute by written agreement within 14 days after the mediation, then, subject to the exclusions set forth in Section 18.3.1, all Disputes must be submitted to binding arbitration before one arbitrator of the AAA in accordance with the AAA Commercial Arbitration Rules. The arbitration will be conducted by one arbitrator with at least 7 years of substantive experience in franchise law who will be appointed under the AAA's Commercial Arbitration Rules and who will conduct the arbitration in accordance with such rules. Except as provided in Section 18.3.1, no party may file litigation regarding any Dispute unless it has complied with the mediation and arbitration provisions in this Article regarding that Dispute. "Filing litigation" includes asserting a counterclaim, third-party claim, or other claim relating to a Dispute (irrespective of whether the party asserting the claim filed the legal action in which the claim is asserted). Franchisor's rights to mediation and arbitration, as set forth herein, may be specifically enforced by Franchisor. Each party shall bear its own cost of mediation and arbitration, and Franchisor and Franchisee shall share mediation and arbitration costs equally except as provided in Section 22.8. This agreement to mediate and arbitrate shall survive any termination or expiration of this Agreement.

18.3.1 The parties shall not be required to first attempt to mediate or arbitrate a controversy, dispute or claim through mediation as set forth in this Section 18.3 if such controversy, dispute or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating):

18.3.1.1 Any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information;

18.3.1.2 Any claims pertaining to or arising out of any warranty issue;

18.3.1.3 Any of the restrictive covenants contained in this Agreement;

18.3.1.4 Any of Franchisee's payment obligations that are more than forty-five (45) days past due;

18.3.1.5 Any claims arising out of or related to fraud or misrepresentation by Franchisee, or Franchisee's insolvency;

18.3.1.6 Any claims relating to Franchisee's obligations upon termination or expiration of this Agreement;

18.3.1.7 Any claims relating to any Transfer of an interest in Franchisee, the Franchised Business or Franchisee's assets; or

18.3.1.8 Any matters involving danger, health or safety.

18.3.2 **Interpretation**. The provisions of this Agreement must be construed as independent of any other covenant or provision of this Agreement. However, if a court or arbitrator of competent jurisdiction determines that any provisions are unlawful, that court or arbitrator is to modify or interpret the provisions to the minimum extent necessary to have them comply with the law. Notwithstanding any provision relating to the state laws by and under which this Agreement must be governed and construed, all issues relating to arbitrability or the enforcement of the agreement to arbitrate in this Agreement must be governed by the United States Arbitration Act (9 U.S.C. § 1 et seq.) and the Federal common law of arbitration. The arbitrator, and not any federal, state or local court, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, unconscionability, arbitrability, enforceability or formation of this Agreement, including any claim of fraud in the inducement or that all or any part of the Agreement is void or voidable. However, the preceding sentence shall not apply to the clause entitled "Class Action Waiver."

18.3.3 **Judgment**. Judgment on an arbitration award may be entered in any court of competent jurisdiction. This judgment is binding, final and non-appealable.

18.3.4 **Failure to Appear**. The arbitration and mediation provisions in this Article are self-executing and remain in full force and effect after the expiration or sooner termination of this Agreement. If either party fails to appear at any properly noticed arbitration proceeding, notwithstanding failing to appear, an award may be entered against that party by default or otherwise.

18.3.5 **Class Action Waiver**. Any proceeding (whether mediation, arbitration, trial to a court or jury, appeal or otherwise) must be brought in the parties' individual capacity and not as a plaintiff or class member in any purported class, collective, representative, multiple plaintiff or similar proceeding ("Class Action"). Franchisee and Franchisor expressly waive any ability to maintain any Class Action in any forum. Further, an arbitration proceeding between Franchisor and Franchisee (or any of Franchisee's or Franchisor's affiliates and owners and guarantors) may not be consolidated with any other arbitration proceeding between them and any other franchisee, person or entity. Franchisee hereby agrees not to seek joinder of any of its claims with those of any other party. The arbitrator shall not have authority to combine or aggregate similar claims or conduct any Class Action, nor make an award to any person or entity not a party to the arbitration. Any claim that all or part of this Class Action Waiver is unenforceable, unconscionable, void or voidable may be determined only by a court of competent jurisdiction and not by an arbitrator. FRANCHISEE AND FRANCHISOR UNDERSTAND THAT THEY WOULD HAVE HAD A RIGHT TO LITIGATE THROUGH A COURT, TO HAVE A JUDGE OR JURY DECIDE OUR CASE, AND TO BE PARTY TO A CLASS OR REPRESENTATIVE ACTION. HOWEVER, FRANCHISEE AND FRANCHISOR UNDERSTAND AND CHOOSE TO WAIVE THAT RIGHT AND HAVE ANY CLAIMS DECIDED INDIVIDUALLY THROUGH ARBITRATION. It is Franchisee's and Franchisor's joint business judgment that the limitations of this subsection make good business sense, because:

18.3.5.1 the mediation and arbitration procedures contemplated by this Agreement (and which Franchisee and Franchisor agree are the core methods for resolving disputes) function most effectively on an individual case basis;

18.3.5.2 there are significant business and other factors present in each individual franchisee's situation which should be respected; and

18.3.5.3 the economic interests of lawyers on either side in class-wide or multiple plaintiff dispute, as well as the tendency to polarize positions, makes accommodation and compromise, as a practical business matter, less easily achieved, which would be a serious detriment to Franchisee's and Franchisor's business interests, as well as those of the entire Franchise System, in quickly, amicably and economically resolving any dispute.

18.4 **Selection of Venue**. Nothing contained in this Agreement shall prevent Franchisor from applying to and obtaining from any court having jurisdiction, a writ of attachment, a temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's legitimate business interests. The parties expressly agree to the jurisdiction and venue of any court of general jurisdiction in Mecklenburg County, North Carolina and the jurisdiction and venue of the United States District Court for the Western District of North Carolina. Franchisee acknowledges that this Agreement has been entered into in the State of North Carolina, and that Franchisee is to receive valuable and continuing services emanating from Franchisor's headquarters in Huntersville, North Carolina, including, but not limited to, training, assistance, support, and the development of the System. In recognition of such services and their origin, Franchisee hereby irrevocably consents to the personal jurisdiction of the state and federal courts of North Carolina as set forth in this Section.

18.5 **Third Party Beneficiaries**. Franchisor's officers, directors, shareholders, members, agents and/or employees are express third-party beneficiaries of the provisions of this Agreement, including the mediation and arbitration provisions set forth in this Section 18, each having authority to specifically enforce the right to mediate or arbitrate any Dispute or claims asserted by Franchisee against such person(s).

18.6 **Prior Notice of Claims**. As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within 30 days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

18.7 **No Right to Offset**. Franchisee shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

18.8 **Injunctive Relief**. The Franchised Business is intended to be one of a large number of businesses identified by the Proprietary Marks selling to the public the Approved Products and Approved Services associated with the Proprietary Marks. Consequently, a single franchisee's failure to comply with the terms of its franchise agreement is likely to cause irreparable damage to Franchisor, and damages at law would therefore be an inadequate remedy. Upon Franchisee's breach or threatened breach of any of the terms concerning any matters referenced in Section 18.3.1, Franchisor may seek an injunction restraining the breach and/or a decree of specific performance (with recovery of reasonable attorneys' fees and costs incurred in obtaining equitable relief). Franchisor may do so without demonstrating or proving any actual damage. These equitable remedies are in addition to all other rights or remedies to which Franchisor may otherwise be entitled due to Franchisee's breach of this Agreement. Franchisor may seek this relief without posting any bond or security; however, if a court of competent jurisdiction requires a bond or security, a bond or security for $1,000 is sufficient. Notwithstanding anything in this Agreement to the contrary, Franchisor may seek injunctive relief in any jurisdiction that has jurisdiction over Franchisee or any other party against whom the relief is sought. If injunctive relief is granted, Franchisee's only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Franchisee expressly waives all claims for damages Franchisee incurred as a result of the wrongful issuance.

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

18.10 **Waiver of Punitive Damages**. The parties hereby waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, or consequential damages (including, without limitation, lost profits) against the other party arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) except for indemnified claims described in 13.2 and punitive or exemplary damages for violation of the Lanham Act, Trademark or Copyright Infringement or Trademark Dilution, unauthorized dissemination of the confidential information or trade secrets.

18.11 THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY PRODUCTS OR SERVICES.

19. REPRESENTATIONS

19.1 **Call Center**. The Call Center is provided on an "AS IS" and "AS AVAILABLE" basis. Franchisor does not covenant any level, quality, continuity or standard of operation for the Call Center, or covenant that the Call Center will be free from defaults, viruses or other harmful components, operate on a continuous or uninterrupted basis, or provide secure access to the Call Center or services provided thereby. FRANCHISOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NON-INFRINGEMENT, OR WARRANTIES REGARDING THE QUALITY, ACCURACY, TIMELINESS, AVAILABILITY, SUITABILITY, OR RELIABILITY OF ANY SERVICE, OR SECURITY, USEFULNESS, LACK OF VIRUSES OR OTHER HARMFUL COMPONENTS, OR WARRANTIES REGARDING COMPLETENESS OF THE CONTENT OF THE CALL CENTER, OR WARRANTIES WITH RESPECT TO THE USE OR AVAILABILITY OF ANY INFORMATION, DATA, ITEM, APPARATUS, METHOD OR PROCESS INCLUDED IN THE CALL CENTER, OR THAT SUCH WILL MEET THE FRANCHISEE'S REQUIREMENTS, OR BE ERROR FREE OR NOT INFRINGE ON THE RIGHTS OF OTHERS, OR THAT DEFECTS WILL BE CORRECTED.

19.2 **No Authority**. NO SALESPERSON, REPRESENTATIVE OR OTHER PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE FRANCHISOR EXCEPT FRANCHISOR'S AUTHORIZED OFFICER BY A WRITTEN DOCUMENT.

19.3 **Execution of Agreement**. EACH OF THE UNDERSIGNED PARTIES WARRANTS THAT IT HAS THE FULL AUTHORITY TO SIGN AND EXECUTE THIS AGREEMENT. IF FRANCHISEE IS A PARTNERSHIP OR CORPORATION, THE PERSON EXECUTING THIS AGREEMENT ON BEHALF OF SUCH PARTNERSHIP OR CORPORATION WARRANTS TO FRANCHISOR, BOTH INDIVIDUALLY AND IN HIS/HER CAPACITY AS PARTNER OR OFFICER, THAT ALL OF THE PARTNERS OF THE PARTNERSHIP OR ALL OF THE SHAREHOLDERS OF THE CORPORATION, AS APPLICABLE, HAVE READ AND APPROVED THIS AGREEMENT, INCLUDING ANY RESTRICTIONS WHICH THIS AGREEMENT PLACES UPON RIGHTS TO TRANSFER THEIR INTEREST IN THE PARTNERSHIP OR CORPORATION.

20. GUARANTEE OF PRINCIPALS AND THEIR SPOUSES

20.1 **Guarantee**. Franchisee's spouse and all partners in a limited partnership, shareholders in a corporate franchisee, or members of a limited liability company, as well as all general partners and managing members and their spouses hereby personally and unconditionally guarantee without notice, demand or presentment, the payment of all of Franchisee's monetary obligations under this Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates, as if each were an original party to this or any other agreement in his or her individual capacity. All such personal guarantors further agree to be bound by the restrictions upon Franchisee's activities upon transfer, termination or expiration, and nonrenewal of this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such personal guarantors and their spouses must execute a continuing Personal Guaranty in the form attached as Exhibit A to this Agreement.

20.2 **Security Interest**. For valuable consideration, as security for the payment of/for: (a) all amounts owing or to be owed to Franchisor and its affiliates by Franchisee from time to time under this Agreement or any other agreement between Franchisee and Franchisor or Franchisor's affiliates, or otherwise; (b) Franchisee's performance of all obligations to Franchisor and Franchisor's affiliates; and (c) the costs and expenses that Franchisor and/or its affiliates incur to collect or attempt to collect amounts due from Franchisee and to enforce this Section (together, the "Obligations"), Franchisee hereby grants Franchisor a security interest in all of the assets of the Franchised Business or used by, at, or in connection with Franchisee's Franchised Business, including, but not limited to: (i) all equipment, furnishings, fixtures, motor vehicles, merchandise, inventory, goods and other tangible personal property; (ii) all accounts, accounts receivable, other receivables, contract rights, leasehold interests, software, chattel paper and general intangibles; (iii) all instruments, documents of title, policies and certificates of insurance, securities, bank deposits, bank accounts and cash; (iv) all books, records and documents; (v) all permits and licenses for the operation of the Franchised Business; and (vi) all accessions, additions and improvements to, and all replacements, substitutions and parts for, and all proceeds and products of, the foregoing, including proceeds of insurance (collectively, the "Collateral"). Franchisee agrees to execute and deliver to Franchisor any other documents reasonably requested by Franchisor to create, maintain, perfect, or assure the priority of the security interest granted above. Franchisee hereby appoints Franchisor as its agent and attorney-in-fact to execute and deliver documents and to take all other actions (to the extent permitted by law) in Franchisee's name and on Franchisee's behalf that Franchisor may deem necessary or advisable to create, maintain, perfect, assure the priority of, or foreclose its security interest in and lien on the Collateral. Franchisee must execute and deliver to Franchisor financing statements and/or such other documents as Franchisor reasonably deems necessary to perfect Franchisor's interest in the Collateral within 10 days of Franchisee's receipt of such documents from Franchisor.

Franchisee will not remove the Collateral or any portion thereof or grant or permit any security interest in (or otherwise encumber) the Collateral, without Franchisor's prior written consent. Franchisee represents and warrants that the security interest granted is prior to all other security interests in the Collateral except for: (i) bona fide purchase money security interests; and (ii) if consented to by Franchisor in writing, the security interest granted to a third party in connection with Franchisee's original financing for Franchisee's Franchised Business, if any. In connection with any request for Franchisor's approval of a security interest, Franchisor will exercise its Business Judgment, bearing in mind the interests of the borrower, lender, Franchisor and the System. On the occurrence of any event entitling Franchisor to terminate this Agreement or any other agreement between the parties, or if Franchisor reasonably determines that Franchisor is not assured that Franchisee's (and/or any affiliates') obligations will be timely and fully paid and/or performed, Franchisor will have all the rights and remedies of a secured party under the Uniform Commercial Code of the State in which Franchisee's Franchised Business is located, including, without limitation, the right to take possession of the Collateral. This appointment is coupled with an interest and is irrevocable as long as any of the Obligations remain outstanding.

21. NOTICES

All notices and requests to be given under this Agreement are to be in writing, and delivered by either hand delivery or overnight mail by a recognized carrier offering a delivery receipt, to the following addresses (which may be changed by written notice):

Franchisee Name/Address:

Franchisor: HFB RoofCo Franchising, LLC
107 Parr Drive
Huntersville, North Carolina 28078
Attn: Chief Legal Officer

Mailing any notice hereunder sent by U.S. certified mail, postage prepaid or when sent via Federal Express or a similar overnight courier shall be presumptive evidence of delivery of the notice or request.

22. MISCELLANEOUS

22.1 **Entire Agreement**. This Agreement contains the entire Agreement of the parties. There are no representations either oral or written, except those contained in this Agreement. This written Agreement includes all representations between the parties. This Agreement may not be modified except by a written document signed by both parties. Nothing in this Agreement or any related agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document furnished to Franchisee.

22.2 **Construction of Language**. The language of this Agreement shall be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as Franchisee, their obligations and liabilities shall be joint and several. Headings are for reference purposes and do not control interpretation. Reference to Franchisee's "immediate family" means Franchisee's spouse, parents, children and siblings, and Franchisee's spouse's parents, children and siblings. Reference to Franchisee's "principals" means Franchisee's partners, officers, directors, shareholders, members and managers, as applicable. References to "Franchisor" and "Franchisee" include the party's successors, assigns or transferees. The parties have had a reasonable opportunity to review this Agreement. In the event of an ambiguity or if a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by all of the parties, and no presumptions or burdens of proof shall arise in favor of any party by virtue of the authorship of any of the provisions of this Agreement.

22.3 **Severability**. If any provision of this Agreement is deemed invalid or inoperative for any reason, that provision shall be deemed modified to the extent necessary to make it valid and operative or, if it cannot be so modified, it shall then be severed, and the remainder of that provision shall continue in full force and effect as if this Agreement had been signed with the invalid portion so modified or eliminated; provided, however, that if any part of this Agreement relating to payments to Franchisor or any of its affiliates or protection of the Proprietary Marks or the Confidential Information, including the Operations Manual and Franchisor's other Trade Secrets, is declared invalid or unenforceable, then Franchisor, at Franchisor's option, may terminate this Agreement immediately upon written notice to Franchisee.

22.4 **State Law Applies**. If any provision of this Agreement, including, but not limited to, its provisions for transfer, renewal, termination, notice of termination, or cure rights, is inconsistent with any valid law or regulation of the state in which the Franchised Business is located, then the valid law or regulation of that state applicable to the Franchised Business shall supersede any provision of this Agreement that is less favorable to Franchisee.

22.5 **Additional Documentation**. Franchisee must, from time to time, subsequent to the date first set forth above, at Franchisor's request and without further consideration, execute and deliver such other documentation or agreements and take such other actions as Franchisor reasonably may require in order to effectuate the transactions contemplated herein. In the event that Franchisee fails to comply with the provisions of this Section, Franchisee hereby appoints Franchisor as Franchisee's attorney-in-fact to execute any and all documents on Franchisee's behalf reasonably necessary to effectuate the transactions contemplated herein.

22.6 **Force Majeure**. Neither Franchisee, Franchisor, nor Franchisor's affiliates will be liable for loss or damage or deemed to be in breach of this Agreement or any related agreement, if its failure to perform its obligations is not the fault nor within the reasonable control of the person due to perform, but results from, without limitation, acts of God or natural disaster (such as, but not limited to, violent storm, cyclone, hurricane, tornado, blizzard, earthquake, volcanic activity, landslide, tidal wave, tsunami, flood, damage or destruction by lightning, drought); accident, riots, war, terrorist act, epidemic, pandemic, quarantine, civil commotion, breakdown of communication facilities, breakdown of web host, breakdown of Internet service provider, natural catastrophes, national or regional emergencies; governmental acts or omissions, changes in laws or regulations, national or local strikes, fire, explosion, generalized lack of availability of raw materials or energy; or any other cause, whether similar in kind to the foregoing or otherwise. Any delay resulting from any such cause will extend the time of performance for the period of such delay or for such other reasonable period of time as the parties agree to in writing or will excuse performance, in whole or in part, as Franchisor deems reasonable. For the avoidance of doubt, this Force Majeure section shall not apply to a party's financial inability to perform its obligations hereunder, nor does this Section apply to negate or delay any payment obligation whether on account of a public health crisis such as COVID-19 or otherwise.

22.7 **Anti-Terrorist Activities**. Franchisee certifies that neither Franchisee, nor Franchisee's owners, principals, employees, or anyone associated with Franchisee is listed in the Annex to Executive Order 13224. Franchisee agrees not to hire or have any dealings with a person listed in the Annex. Franchisee certifies that Franchisee has no knowledge or information that, if generally known, would result in Franchisee, Franchisee's owners, principals, employees, or anyone associated with Franchisee being listed in the Annex to Executive Order 13224. Franchisee agrees to comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee certifies, represents and warrants that none of Franchisee's property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and Franchisee's owners or principals are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities as provided in Section 13.2 of this Agreement pertain to Franchisee's obligations under this Section 22.7. Any misrepresentation by Franchisee under this Section or any violation of the Anti-Terrorism Laws by Franchisee, Franchisee's owners, principals or employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with Franchisor or one of Franchisor's affiliates in accordance with the terms of Section 15.2.1 of this Agreement. As used herein, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part

515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists, and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

22.8 **Attorneys' Fees**. If Franchisee is in breach or default of any monetary or non-monetary material obligation under this Agreement or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Franchisee must pay all reasonable attorneys' fees, court costs and litigation expenses Franchisor incurs. If Franchisee institutes any legal action to interpret or enforce the terms of this Agreement, and Franchisee's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

22.9 **Amendment of Prior Agreements.** In order to enhance consistency and quality of operation, performance, dispute resolution and other matters, Franchisor amends its standard Franchise Agreement from time to time. As a result, this Agreement may be different from other Brand franchise agreements that Franchisee or Franchisee's affiliates may have signed in the past and may contain revised provisions regarding, among other things, modifications to the System, manner of payment of fees and late fees, duties of franchisee, protection of trademarks, status and protection of Manuals and Confidential Information, technology requirements, advertising, insurance, accounting and records, transfers, default and termination, obligations on termination, franchisee covenants, taxes, indemnification, obligations to defend, approvals and waivers, notices, construction of agreement and applicable law. To cooperate with Franchisor in the achievement of these goals and as a condition of the grant of an additional franchise, Franchisee agrees that all of Franchisee's or its affiliates' existing Brand franchise agreements with Franchisor or its affiliates are amended to match the provisions of this Agreement (if the existing franchise agreements do not already include these provisions), except with respect to the Royalty Fee rate, required marketing contributions and spending, other fees for which amounts are specified, territory description, Approved Location, contract term, renewal conditions, and transfer conditions set out in the prior agreements, which will remain unchanged. Provided, however, that any modifications to the Franchise Agreement that purports to change: (i) an investor protection under applicable state law; (ii) any applicable franchise relations law; (iii) the rules adopted under either; or (iv) a requirement that is a part of the state registration process is specifically excepted from this provision. FRANCHISEE ACKNOWLEDGES THAT THIS SECTION AMENDS ALL OF FRANCHISEE'S EXISTING FRANCHISE AGREEMENTS WITH FRANCHISOR AND THAT THE AMENDMENT WILL SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

22.10 **No Personal Liability**. Franchisee agrees that fulfillment of any and all of Franchisor's obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a Court of Law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee for any reason. This is an important part of this Agreement.

22.11 Franchisee is advised that Franchisor may conduct due diligence on the franchise sale process. The results of any such diligence may be entered into evidence in any dispute resolution proceeding, and the limitations set forth in any state addenda or other amendment to this Agreement will not act as a waiver any of our rights to use evidence, pursue claims, or enjoy the protections from unlawful or unfair business practices/dishonesty under any applicable law or regulation to use such information so long as it is collected in accordance with applicable law.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK. SIGNATURES APPEAR ON THE FOLLOWING PAGE.)

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.

FRANCHISOR:

HFB ROOFCO FRANCHISING, LLC,
a North Carolina limited liability company

By: _____

Name: _____

Title: _____

FRANCHISEE:

_____
(Individual, Partnership or Corporation Name)

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

EXHIBIT A
TO FRANCHISE AGREEMENT
HFB ROOFCO FRANCHISING, LLC

PERSONAL GUARANTY

PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, EACH OF FRANCHISEE'S SHAREHOLDERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A PARTNERSHIP, EACH OF FRANCHISEE'S GENERAL PARTNERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A LIMITED LIABILITY COMPANY, EACH OF FRANCHISEE'S MEMBERS AND MANAGERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING.

Definition of "Franchisee:" _____ (person(s) or entity)

☐ Individual ☐ Limited Liability Company ☐ Corporation

☐ General Partnership ☐ Limited Partnership

ARTICLE I
PERSONAL GUARANTY

The undersigned persons (individually and collectively, "you" or "Personal Guarantors") hereby represent to HFB RoofCo Franchising, LLC ("Franchisor") that you are all of the owners, shareholders, general partners, or members and managers, or the spouse of any such owner, shareholder, general partner, member or manager of the Franchisee. In consideration of the grant by Franchisor to Franchisee, as provided in the foregoing franchise agreement (the "Franchise Agreement"), each of you hereby agree, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the foregoing Franchise Agreement, and any other agreement between Franchisee and Franchisor and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the Franchise Agreement or other agreement between Franchisor and Franchisee, including, without limitation, any indebtedness of Franchisee arising under or by virtue of the Franchise Agreement and that you (jointly and individually) will not permit or cause any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed transfer, which consent must not be unreasonably withheld, and without first paying, or causing to be paid, to Franchisor the transfer fee provided for in said Franchise Agreement, if applicable, and without otherwise complying with the transfer provisions of the foregoing Franchise Agreement. You further agree to be bound by the in-term and post-term non-competition and non-solicitation covenants set forth in Section 17 of the Franchise Agreement, as well as all other covenants set forth in the Franchise Agreement, including, but not limited to, those concerning confidentiality (Section 5 of the Franchise Agreement) and indemnification (Section 13.2 of the Franchise Agreement). You agree that this personal guaranty (the "Guaranty") will be governed by the dispute resolution procedures set forth in Section 18 of the Franchise Agreement.

ARTICLE II
CONFIDENTIALITY

During the term of this Guaranty, you will receive information which Franchisor considers a trade secret and confidential information ("Confidential Information"). You shall not, during the term of this Guaranty or thereafter, communicate, divulge, or use for the benefit of any other person, partnership,

association, corporation, or limited liability company, any Confidential Information, including, without limitation, Franchisor's Operations Manual and its contents; price lists and standards and specifications for the Approved Products and Approved Services; standards and specifications related to Franchisor's integrated bookkeeping system; and other methods, techniques, and know-how concerning the operation of a Franchised Business, of which you may be apprised by virtue of your role as a Personal Guarantor of Franchisee.

ARTICLE III
NON-COMPETITION

1. **During the Term of the Franchise Agreement**. During the term of the Franchise Agreement, neither you, nor your owners, principals, officers, directors, nor any members of your family or the family of your owners, officers, directors, or principals may, directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any other person or entity:

a. Own, maintain, engage in, be employed as an officer, director, principal of, lend money to, extend credit to, or have any interest in any other business that, directly or indirectly, by itself or through licensees or franchisees, offers the Approved Products or Approved Services, or any other products and/or services authorized or offered for sale by System franchisees (a "Competitive Business") within the Designated Territory or the Designated Territory of any other System franchisee, provided that this Article IIIdoes not apply to: (i) such person's ownership of a Franchised Business under a Franchise Agreement with Franchisor; or (ii) such person's ownership of a less than five percent (5%) legal or beneficial interest in any publicly traded company providing such services;

b. Employ or seek to employ, any person who is at that time employed by Franchisor, Franchisor's affiliates, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

c. Solicit any current, former, or prospective customer solicited by Franchisee's Franchised Business, or any other customer of whom Franchisee has become aware as a result of access to Franchisor's System, or other franchisees for any competitive purpose.

2. **After the Term of the Franchise Agreement**. For a period of 2 years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, neither you, nor your owners, principals, officers, directors, nor any members of your family or the family of your owners, officers, directors, or principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person or entity:

a. Own, maintain, engage in, be employed as an officer, director, principal of, lend money to, extend credit to, or have any interest in any Competitive Business: (i) within the Designated Territory; (ii) within a 25-mile radius of the Designated Territory of any other Franchised Business; or (iii) within a 25-mile radius of any System business operated by Franchisor or its affiliate, provided that this Article III does not apply to: (A) such person's ownership of a Franchised Business under a Franchise Agreement with Franchisor; or (B) such person's ownership of a less than five percent (5%) legal or beneficial interest in any publicly traded company providing services the same as or similar to a Competitive Business;

b. Employ or seek to employ, any person who is at that time employed by Franchisor, Franchisor's affiliates, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

c. Solicit any current, former, or prospective customer solicited by Franchisee's Franchised Business, or any other customer of whom Franchisee has become aware as a result of access to Franchisor's System, or other franchisees for any competitive purpose.

3. **Intent and Enforcement**. It is the parties' intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by you, any of your principals, or any members of their immediate family, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article III, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that each of you has previously worked or been gainfully employed in other careers and that the provisions of this Article III in no way prevent you from earning a living. You further acknowledge and agree that the time limitation of this Article III shall be tolled during any default under this Guaranty.

ARTICLE IV
DISPUTE RESOLUTION

1. **Acknowledgment**. You acknowledge that this Guaranty is not a franchise agreement and does not confer upon you any rights to use the Franchisor's Proprietary Marks or its System.

2. **Governing Law**. This Guaranty shall be deemed to have been made in and governed by the laws of the State of North Carolina, without any reference to North Carolina conflict of laws principles.

3. **Internal Dispute Resolution**. Franchisee and Franchisor believe that it is important to resolve any disputes amicably, quickly, cost-effectively, and professionally and to return to business as soon as possible. Franchisee and Franchisor have agreed that the provisions of Sections 3 and 4 of this Personal Guaranty support these mutual objectives and, therefore, agree as follows. Any disagreement, litigation, claim, dispute, suit, action, controversy or proceeding of any type whatsoever, including any claim for equitable relief and/or where Franchisee is acting as a "private attorney general" suing pursuant to a statutory claim or otherwise between or involving a Guarantor, Franchisee and/or Franchisor on whatever theory and/or facts based, and whether or not arising out of this Guaranty (including any dispute or disagreement relating to arbitration, including the arbitrability of this Guaranty or any of its provisions), or offer, sale or negotiation of a Roof Scientist Franchise, or the relationship of the parties arising from the Franchise or from entering this Guaranty or the Franchise Agreement, or any claim that this Guaranty or the Franchise Agreement or any part thereof is invalid, illegal or otherwise voidable, void, or unenforceable ("Dispute") will be processed in the following manner, Franchisee and Franchisor each expressly waiving all rights to any court proceeding, except as expressly provided below in Section 4.1. Personal Guarantor must first bring any claim or Dispute between Franchisee and Franchisor or Personal Guarantor and Franchisor to Franchisor's management, after providing notice as set forth in Section 4.8 below. Personal Guarantor must exhaust this internal Dispute resolution procedure before Personal Guarantor may bring Personal Guarantor's Dispute before a third party. This agreement to first attempt resolution of Disputes internally shall survive termination or expiration of this Guaranty. Personal Guarantor and Franchisor agree that the franchise relationship is unique and that as a result, it is important that anyone who serves as a mediator or arbitrator in a Dispute must have a minimum of 7 years' substantive experience in franchise law.

4. **Mediation/Arbitration**. If Personal Guarantor and Franchisor are unable to resolve a Dispute using the internal Dispute resolution procedure, then Disputes which are not first resolved through the internal Dispute resolution procedure set forth in Section 3 above, must be submitted first to non-binding

mediation in Mecklenburg County, North Carolina under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. A link to the AAA Commercial Arbitration Rules and Mediation Procedures can be found at https://www.adr.org/Rules. The mediation will be conducted by one mediator with at least seven years of substantive experience in franchise law who will be appointed under the American Arbitration Association's Commercial Mediation Rules and who will conduct the mediation in accordance with such rules. Mediation must be conducted on an individual, not a class-wide, basis; only Franchisor (and/or its affiliates and its and their respective owners, officers, directors, agents and employees) and Franchisee (and/or its Owners, guarantors, affiliates, officers, directors, agents and employees, if applicable) may be the parties to any mediation proceeding described in this Section, and no such mediation proceeding may be consolidated with any other mediation proceeding between Franchisor and any other person, corporation, limited liability company or partnership. Franchisor and Personal Guarantor agree that statements made by Franchisor, Personal Guarantor or any other party in any such mediation proceeding will not be admissible in any arbitration or other legal proceeding. If the mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) if the mediation does not resolve the dispute by written agreement within 14 days after the mediation, then, subject to the exclusions set forth in Section 4.1, all Disputes must be submitted to binding arbitration before one arbitrator of the AAA in accordance with its commercial arbitration rules. The arbitration will be conducted by one arbitrator with at least seven years of substantive experience in franchise law who will be appointed under the AAA's Commercial Arbitration Rules and who will conduct the arbitration in accordance with such rules. Except as provided in Section 4.1, no party may file litigation involving any Dispute unless it has complied with the mediation and arbitration provisions in this Article regarding that Dispute. "Filing litigation" includes asserting a counterclaim, third-party claim or other claim relating to a Dispute (irrespective of whether the party asserting the claim filed the legal action in which the claim is asserted). Franchisor's rights to mediation and arbitration, as set forth herein, may be specifically enforced by Franchisor. Each party shall bear its own cost of mediation and arbitration, and Franchisor and Personal Guarantor shall share mediation costs equally. This agreement to mediate and arbitrate shall survive any termination or expiration of this Guaranty.

4.1 The parties shall not be required to first attempt to mediate or arbitrate a controversy, Dispute or claim through mediation as set forth in this Section 4.1 if such controversy, Dispute or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating):

4.1.1 Any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information;

4.1.2 Any claims pertaining to or arising out of any warranty issue;

4.1.3 Any of the restrictive covenants contained in this Guaranty;

4.1.4 Any of Franchisee's payment obligations that are more than forty-five (45) days past due;

4.1.5 Any claims arising out of or related to fraud or misrepresentation by Personal Guarantor, Franchisee, or Franchisee's insolvency;

4.1.6 Any claims relating to Franchisee's obligations on termination or expiration of this Guaranty;

4.1.7 Any claims relating to any Transfer of an interest in Franchisee, the Franchised Business or Franchisee's assets; or

4.1.8 Any matters involving danger, health or safety.

4.2 **Interpretation**. The provisions of this Guaranty must be construed as independent of any other covenant or provision of this Guaranty. However, if a court or arbitrator of competent jurisdiction determines that any provisions are unlawful, that court or arbitrator is to modify or interpret the provisions to the minimum extent necessary to have them comply with the law. Notwithstanding any provision relating to the state laws by and under which this Guaranty must be governed and construed, all issues relating to arbitrability or the enforcement of the agreement to arbitrate in this Guaranty must be governed by the United States Arbitration Act (9 U.S.C. § 1 et seq.) and the Federal common law of arbitration. The arbitrator, and not any federal, state or local court, shall have exclusive authority to resolve any Dispute relating to the interpretation, applicability, unconscionability, arbitrability, enforceability or formation of this Guaranty, including any claim of fraud in the inducement or that all or any part of the Guaranty is void or voidable. However, the preceding sentence shall not apply to the clause entitled "Class Action Waiver."

4.3 **Judgment**. Judgment on an arbitration award may be entered in any court of competent jurisdiction. This judgment is binding, final and non-appealable.

4.4 **Failure to Appear**. The arbitration and mediation provisions in this Article are self-executing and remain in full force and effect after the expiration or sooner termination of this Guaranty. If either party fails to appear at any properly noticed arbitration proceeding, notwithstanding failing to appear, an award may be entered against that party by default or otherwise.

4.5 **Class Action Waiver**. Any proceeding (whether mediation, arbitration, trial by a court or jury, appeal or otherwise) must be brought in the parties' individual capacity and not as a plaintiff or class member in any purported class, collective, representative, multiple plaintiff or similar proceeding ("Class Action"). Personal Guarantor and Franchisor expressly waive any ability to maintain any Class Action in any forum. Further, an arbitration proceeding between Franchisor and Personal Guarantor (or any of Franchisee's or Franchisor's affiliates and owners and guarantors) may not be consolidated with any other arbitration proceeding between them and any other franchisee, person or entity. Personal Guarantor hereby agrees not to seek joinder of any of its claims with those of any other party. The arbitrator shall not have authority to combine or aggregate similar claims or conduct any Class Action nor make an award to any person or entity not a party to the arbitration. Any claim that all or part of this Class Action Waiver is unenforceable, unconscionable, void or voidable may be determined only by a court of competent jurisdiction and not by an arbitrator. PERSONAL GUARANTOR AND FRANCHISOR UNDERSTAND THAT THEY WOULD HAVE HAD A RIGHT TO LITIGATE THROUGH A COURT, TO HAVE A JUDGE OR JURY DECIDE OUR CASE, AND TO BE PARTY TO A CLASS OR REPRESENTATIVE ACTION. HOWEVER, PERSONAL GUARANTOR AND FRANCHISOR UNDERSTAND AND CHOOSE TO WAIVE THAT RIGHT AND HAVE ANY CLAIMS DECIDED INDIVIDUALLY, THROUGH ARBITRATION. It's Personal Guarantor's and Franchisor's joint business judgment that the limitations of this subsection make good business sense, because:

4.5.1 the mediation and arbitration procedures contemplated by this Agreement (and which Personal Guarantor and Franchisor agree are the core methods for resolving Disputes) function most effectively on an individual case basis;

4.5.2 there are significant business and other factors present in each individual Personal Guarantor's situation which should be respected; and

4.5.3 the economic interests of lawyers on either side in class-wide or multiple plaintiff disputes, as well as the tendency to polarize positions, makes accommodation and compromise, as a practical business matter, less easily achieved, which would be a serious detriment to Personal Guarantor's and Franchisor's business interests, as well as those of the entire Franchise System, in quickly, amicably and economically resolving any Dispute.

4.6 **Selection of Venue**. Nothing contained in this Guaranty shall prevent Franchisor from applying to and obtaining from any court having jurisdiction, a writ of attachment, a temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interests. The parties expressly agree to the jurisdiction and venue of any court of general jurisdiction in Mecklenburg County, North Carolina and the jurisdiction and venue of the United States District Court for the Western District of North Carolina. Personal Guarantor acknowledges that this Guaranty has been entered into in the State of North Carolina, and that Franchisee, whose obligations Personal Guarantor is guaranteeing, is to receive valuable and continuing services emanating from Franchisor's headquarters in Huntersville, North Carolina, including, but not limited to, training, assistance, support and the development of the System. In recognition of such services and their origin, Personal Guarantor hereby irrevocably consents to the personal jurisdiction of the state and federal courts of North Carolina as set forth in this Section.

4.7 **Third Party Beneficiaries**. Franchisor's officers, directors, shareholders, members, agents and/or employees are express third party beneficiaries of the provisions of this Guaranty, including the mediation provision set forth in this Section 4, each having authority to specifically enforce the right to mediate claims asserted against such person(s) by Personal Guarantor.

4.8 **Prior Notice of Claims**. As a condition precedent to commencing an action for damages or for violation or breach of this Guaranty, Personal Guarantor must notify Franchisor within 30 days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

4.9 **No Right to Offset**. Personal Guarantor shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Guaranty or any related agreements.

4.10 **Injunctive Relief**. The Franchised Business is intended to be one of a large number of businesses identified by the Proprietary Marks selling to the public the Approved Products and Approved Services associated with the Proprietary Marks. Consequently, a single Personal Guarantor's failure to comply with the terms of its franchise agreement is likely to cause irreparable damage to us, and damages at law would therefore be an inadequate remedy. On Personal Guarantor's breach or threatened breach of any of the terms concerning any matters referenced in Section 4.1, Franchisor may seek an injunction restraining the breach and/or a decree of specific performance (with recovery of reasonable attorneys' fees and costs incurred in obtaining equitable relief). Franchisor may do so without demonstrating or proving any actual damage. These equitable remedies are in addition to all other rights or remedies to which Franchisor may otherwise be entitled because of Personal Guarantor's breach of this Guaranty. Franchisor may seek this relief without posting any bond or security. However, if a court of competent jurisdiction requires a bond or security, a bond or security for $1,000 is sufficient. Notwithstanding anything in this Guaranty to the contrary, Franchisor may seek injunctive relief in any jurisdiction that has jurisdiction over Personal Guarantor or any other party against whom the relief is sought. If injunctive relief is granted, Personal Guarantor's only remedy will be the court's dissolution of the injunctive relief. If the injunctive

relief was wrongfully issued, Personal Guarantor expressly waives all claims for damages Personal Guarantor incurred as a result of the wrongful issuance.

5. **Jurisdiction and Venue**. Nothing contained in this Guaranty shall prevent Franchisor from applying to and obtaining from any court having jurisdiction, a writ of attachment, a temporary injunction, preliminary injunction, and/or other emergency relief available to safeguard and protect Franchisor's interests. The parties expressly agree to the jurisdiction and venue of any court of general jurisdiction in Mecklenburg County, North Carolina and the jurisdiction and venue of the United States District Court for the Western District of North Carolina. The parties acknowledge and agree that this Guaranty has been entered into in the State of North Carolina, and that Franchisee, whose obligations Personal Guarantor is guaranteeing, is to receive valuable and continuing services emanating from Franchisor's headquarters in Huntersville, North Carolina, including, but not limited to, training, assistance, support and the development of the System. In recognition of such services and their origin, you hereby irrevocably consent to the personal jurisdiction of the state and federal courts of North Carolina as set forth herein.

6. **Jury Trial Waiver. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS PERSONAL GUARANTY OR THE FRANCHISE AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM FRANCHISOR OF THE FRANCHISE, OPTION AND/OR ANY GOODS OR SERVICES.**

7. **Waiver of Punitive Damages**. The parties hereby waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, or consequential damages (including, without limitation, lost profits) against the other party arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) except for indemnified claims described in 13.2 of the Franchise Agreement and punitive or exemplary damages for violation of the Lanham Act, Trademark or Copyright Infringement or Trademark Dilution, unauthorized dissemination of the confidential information or trade secrets.

8. **Limitation on Action**. You agree that no cause of action arising out of or under this Guaranty or the Franchise Agreement may be maintained by you unless brought before the expiration of 1 year after the act, transaction or occurrence upon which such action is based or the expiration of 1 year after you become aware of facts or circumstances reasonably indicating that you may have a claim against the Franchisor, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

9. **Attorneys' Fees**. If the undersigned is in breach or default of any monetary or non-monetary material obligation under the Franchise Agreement or this Guaranty, or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Franchisee must pay all reasonable attorneys' fees, court costs and litigation expenses Franchisor incurs. If the undersigned or Franchisee institutes any legal action to interpret or enforce the terms of this Guaranty or the Franchise Agreement, and the claim(s) in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

10. **Nonwaiver**. Franchisor's failure to insist upon strict compliance with any provision of this Guaranty and the Franchise Agreement shall not be a waiver of Franchisor's right to do so, any law, custom,

usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default shall not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Guaranty shall be cumulative. Franchisor's election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

11. **Severability**. The parties agree that if any provisions of this Guaranty may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning that renders it valid and enforceable. The language of all provisions of this Guaranty shall be construed according to fair meaning and not strictly construed for or against either party. The provisions of this Guaranty are severable, and this Guaranty shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Guaranty shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Guaranty.

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

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

14. **No Personal Liability**. You agree that fulfillment of any and all of Franchisor's obligations written in this Guaranty or in the Franchise Agreement or based on any oral communications which may be ruled to be binding in a Court of Law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee or you for any reason.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK. SIGNATURES APPEAR ON THE FOLLOWING PAGE.)

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS GUARANTY TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.

PERSONAL GUARANTORS:	**SPOUSES:**
By: _____	By: _____
Print Name: _____	Print Name: _____
Address: _____	Address: _____
_____	_____
Telephone: _____	Telephone: _____
By: _____	By: _____
Print Name: _____	Print Name: _____
Address: _____	Address: _____
_____	_____
Telephone: _____	Telephone: _____

EXHIBIT C

TO FDD
HFB ROOFCO FRANCHISING, LLC

STATEMENT OF OWNERSHIP

STATEMENT OF OWNERSHIP

Franchisee: _____

Form of Ownership
(Check One)

☐ Individual ☐ Limited Liability Company ☐ Limited Partnership

☐ Corporation ☐ General Partnership

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

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

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

State and Date of Formation/Incorporation: _____

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

Name	Title

Members, Stockholders, Partners:

Name	Address	Percentage Owned

This form is current and complete as of _____, 20___.

FRANCHISEE:

_____

By: _____

Printed Name: _____

Title: _____

EXHIBIT D

TO FDD
HFB ROOFCO FRANCHISING, LLC
CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT
(for trained employees, shareholders, officers, directors, general partners, members and managers of Franchisee)

In consideration of my being a _____ of _____ (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, I hereby acknowledge and agree that Franchisee has acquired the right and franchise from HFB RoofCo Franchising, LLC (the "Company") to establish and operate a franchised business (the "Franchised Business") and the right to use, in the operation of the Franchised Business, the Company's trade names, trademarks and service marks (the "Proprietary Marks") and the Company's unique and distinctive format and system relating to the establishment and operation of Franchised Businesses (the "System"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and approved location: _____ _____ (the "Franchised Business Premises").

1. The Company possesses certain proprietary and confidential information and trade secrets relating to the operation of the System and the Franchised Business, including the Company's Manuals; price lists and standards and specifications for the Approved Products and Approved Services; standards and specifications related to the Company's integrated bookkeeping system; and other methods, techniques and know-how concerning the of operation of the Franchised Business which may be communicated to Franchisee or of which I may be apprised by virtue of my employment with Franchisee ("Confidential Information").

2. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Confidentiality and Restrictive Covenant Agreement ("Agreement").

3. In my position with the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the Company's Operations Manual (the "Operations Manual") and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

5. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties with the Franchisee, and will continue to not disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

6. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, engage in, be employed by, or have any interest in any other business which operates or licenses any other competing business(es) within 25

miles of Franchisee's territory and the territory of any other franchisee in the system which information is available upon request, except for a Franchised Business operating under the System and Proprietary Marks.

7. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

8. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified.

9. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of, this Agreement.

10. This Agreement shall be construed under the laws of the State of North Carolina. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

By: _____

Name: _____

Title: _____

Date: _____

ACKNOWLEDGED BY FRANCHISEE:

By: _____

Name: _____

EXHIBIT E

TO FDD
HFB ROOFCO FRANCHISING, LLC

ELECTRONIC FUNDS WITHDRAWAL AUTHORIZATION

ELECTRONIC FUNDS WITHDRAWAL AUTHORIZATION

Bank Name: _____

Routing #: _____

Acct. No.: _____

Entity Name on Acct.: _____

Effective as of the date of the signature below, _____ ("Franchisee"), hereby authorizes HFB RoofCo Franchising, LLC ("Company"), or its designee, to withdraw funds from the above-referenced bank account, electronically or otherwise, and to make the following payments to Company under the Franchise Agreement for the Franchised Business located at:

_____

(i) all Royalty Fees; (ii) all Brand Fund Contributions, Technology Fees, Call Center Fees or other recurring fees; and (iii) any other fees due and owing under the Franchise Agreement. Franchisee acknowledges that Royalty Fees and all other fees may be collected by Franchisor in the manner provided for in the Franchise Agreement. Such withdrawals shall occur on a monthly basis, or on such other schedule as Company shall specify in writing. Company is also authorized to deposit the Gross Revenue of Franchisee's Franchised Business, less all amounts due under the Franchise Agreement, into the above-referenced account, electronically or otherwise. Such deposits shall occur on a monthly basis, or on such other schedule as Company shall specify in writing. This authorization shall remain in full force and effect until terminated in writing by Company. Franchisee shall provide Company, in conjunction with this authorization, a voided check from the above-referenced account.

FRANCHISEE:

_____

(Individual, Partnership or Corporation Name)

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT F

TO FDD
HFB ROOFCO FRANCHISING, LLC

MULTI-UNIT ADDENDUM

MULTI-UNIT ADDENDUM

This Multi-Unit Addendum (the "Addendum") is made and entered into on _____ (the "Effective Date"), by and between: (i) HFB RoofCo Franchising, LLC, a North Carolina limited liability company with a business address at 107 Parr Drive, Huntersville, North Carolina 28078 ("Franchisor"); and (ii) _____, a(n) _____ with a business address at _____ ("Franchisee").

BACKGROUND

A. Contemporaneous with the execution of this Addendum, Franchisee and Franchisor entered into _____ (___) franchise agreements RS____ - _____ (collectively, the "Applicable Franchise Agreements") and, under each such Applicable Franchise Agreement, Franchisee obtained the right and undertook the obligation to operate a franchised business under Franchisor's then-current proprietary mark(s) (each, a "Franchised Business").

B. Each Franchised Business has its own designated territory wherein Franchisee is required to actively promote and operate the Franchised Businesses (each, a "Designated Territory" and collectively, the "Designated Territories").

C. Franchisor and Franchisee now wish to amend and otherwise clarify certain provisions in the Applicable Franchise Agreements, pursuant to the terms and conditions of this Addendum.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Background; Definitions**.

a. The parties acknowledge and agree that the Background portion of this Addendum, including all definitions, representations and provisions set forth therein, is hereby incorporated by reference as if set forth in this Section.

b. For purposes of this Addendum, if a capitalized term in this Addendum is not specifically defined herein, that term will be given the same definition that the term is afforded in the Applicable Franchise Agreements, as applicable.

2. **Multi-Unit Fee in Lieu of Initial Franchise Fee**. Notwithstanding anything contained in Section 3.1 of the Applicable Franchise Agreements, Franchisee will not be required to pay Franchisor an Initial Franchise Fee under any Applicable Franchise Agreement. Instead, Franchisee must pay Franchisor a lump-sum multi-unit fee amounting to $_____ (the "Multi-Unit Fee"). There is one Opening Assistance Fee of $5,000 for all Applicable Franchise Agreements under this Multi-Unit Addendum. The entire Multi-Unit Fee and Opening Assistance Fee must be paid upon execution of this Addendum and the Applicable Franchise Agreements, and the Multi-Unit Fee is deemed fully earned and the Multi-Unit Fee and Opening Assistance Fee are non-refundable under any circumstances.

3. **Minimum Monthly Royalty Fees**. Notwithstanding anything contained in Section 3.2 of the Applicable Franchise Agreements, Franchisee's Minimum Royalty Fee is based upon the number of

Franchised Businesses and the number of months the Franchised Business has been open and operating. The Minimum Royalty Fee is as follows:

Time of Operation	1 Franchised Business	2 Franchised Businesses	3 Franchised Businesses	4 Franchised Businesses	5 Franchised Businesses
First 3 Months	7% - 5% of Gross Revenue	7% - 5% of Gross Revenue	7% - 5% of Gross Revenue	7% - 5% of Gross Revenue	7% - 5% of Gross Revenue
4 to 12 Months	$300	$600	$900	$1,200	$1,500
Second Year	$1,500	$3,000	$4,500	$6,000	$7,500
Third Year +	$2,000	$4,000	$6,000	$8,000	$10,000

For each additional Franchised Business above 5 units:

- the First 3 months is 7-5% of Gross Revenue
- 4-12 months is an additional $300 per Franchised Business
- Second Year is an additional $1,500 per Franchised Business
- Third Year + is an additional $2,000 per Franchised Business

4. **Brand Fund, Local Advertising Requirement, and Call Center Fee**. Notwithstanding anything contained in Section 3.5, Section 3.6, and Section 3.11 of the Applicable Franchise Agreements, Franchisor and Franchisee acknowledge and agree that for purposes of determining Gross Revenue for the Brand Fund, Local Advertising Requirement, and Call Center Fee, Franchisee may aggregate Gross Revenue of each Franchised Business operating under this Addendum. For purposes of clarification, the Local Advertising Requirement will be the greater of: (a) $36,000 annually for the first Applicable Franchise Agreement plus up to $24,000 annually for each additional contiguous Applicable Franchise Agreement; or (b) 3% of aggregate Gross Revenue for each Applicable Franchise Agreement under this Addendum. The annual minimum Local Advertising Requirement is based on a monthly spend requirement of $3,000 for the first Applicable Franchise Agreement plus up to an additional $2,000 per month for each additional contiguous Applicable Franchise Agreement, but may, with Franchisor's written permission, vary monthly to account for seasonality and other relevant factors. Franchisor can require a minimum monthly Local Advertising Requirement spend of $3,000 per month plus up to an additional $2,000 per month even if the annual minimum dollar amount has been met for the year. If you fail to meet your Local Advertising Requirement in any month, we may require you to pay us the shortfall as an additional advertising fee or to pay us the shortfall for us to spend on local advertising in your Designated Territory.

5. **Technology Fee and Marketing Technology Fee**. Franchisor and Franchisee acknowledge and agree that Franchisee will utilize (a) the same technology package for all of its Franchised Businesses, (b) the same marketing materials for all of its Franchised Businesses, and (c) the same website for all of its Franchised Businesses, and Franchisor will only require Franchisee to pay the Technology Fee and Marketing Technology Fee as if Franchisee was only operating one Franchised Business.

6. **Approved Location**. Section 1.3 of the Applicable Franchise Agreements is hereby amended to clarify that if Franchisee's Designated Territories under the Applicable Franchise Agreements are contiguous, then Franchisee will only be obligated to secure 1 Approved Location that meets Franchisor's standards and specifications.

7. **Inventory**. Section 7.6.7 of the Applicable Franchise Agreements is hereby amended to clarify that Franchisee must maintain sufficient levels of inventory, vehicles, supplies and equipment in order to adequately meet consumer demand within the Designated Territories.

8. **Initial Training Program**. Section 8.1 of the Applicable Franchise Agreements is hereby amended to clarify that Franchisee is only obligated to attend the Initial Training Program once.

9. **Grand Opening Marketing**. Section 12.5.1 of the Applicable Franchise Agreements is hereby amended to clarify that if Franchisee operates the Franchised Business in Designated Territories that are contiguous to one another, then Franchisee is only obligated to spend the Grand Opening Marketing fee of $12,000 (or $22,000 if Franchisor increases such amount) once.

10. **Transfer Fee**. Section 14.3.2.8 of the Applicable Franchise Agreements is hereby amended to clarify that Franchisee is obligated to pay Franchisee a Transfer Fee of $10,000 in connection with each Applicable Franchise Agreement/Designated Territory that Franchisee wishes to transfer.

11. **Renewal Fee**. Section 2.2.9 of the Applicable Franchise Agreements is hereby amended to clarify that Franchisee is obligated to pay Franchisor a Renewal Fee of $5,000 in connection with the first Applicable Franchise Agreement that Franchisee wishes to renew. The Renewal Fee for an additional renewal of an Applicable Franchise Agreement under this Addendum that is renewed at the same time will be $1,000.

12. **Transfer**. Franchisor has the right to sell, transfer, assign and/or encumber all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Addendum in Franchisor's sole discretion. Franchisee may not transfer its rights under this Addendum without Franchisor's prior written consent.

13. **Default of Addendum Constitutes Default Under All Applicable Franchise Agreements**. In the event Franchisee breaches any of the provisions of this Addendum, such breach will constitute a material default of all Applicable Franchise Agreements and must be cured within 30 days from Franchisee's receipt of Franchisor's written notice of such breach as set forth in Section 15.4 of the Applicable Franchise Agreements. If Franchisee fails to cure such breach(es) within the prescribed time period, Franchisor may, at its option, terminate one or more of the Applicable Franchise Agreements immediately upon providing written notice. Notwithstanding the foregoing, Franchisor will not terminate any other Applicable Franchise Agreement under Franchisee's Multi-Unit Addendum solely based upon Franchisee's failure to operate a Franchised Business under one of the Applicable Franchise Agreements under Franchisee's Multi-Unit Addendum.

14. **Governing Law**. This Addendum shall be governed by and construed in accordance with the laws of the State of North Carolina, without reference to this state's conflict of laws principles.

15. **Venue; Forum; Jurisdiction; Dispute Resolution**. Franchisor and Franchisee agree and acknowledge that the venue, forum, jurisdiction, and dispute resolution provisions of the Applicable Franchise Agreements shall also apply to this Addendum.

16. **Ratification of Applicable Franchise Agreements**. Except as amended by this Addendum, any and all other terms and conditions set forth in the Applicable Franchise Agreements are hereby ratified and confirmed as if fully restated herein.

17. **Entire Agreement**. This Addendum constitutes the entire agreement between the parties and supersedes any and all prior negotiations, understandings, representations, and agreements. Nothing in

this or in any related agreement, however, is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document that was furnished to Franchisee.

18. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement; or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Addendum on the date and year first written above.

FRANCHISOR:

HFB ROOFCO FRANCHISING, LLC,
a North Carolina limited liability company

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

_____
(Individual, Partnership or Corporation Name)

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT G

TO FDD
HFB ROOFCO FRANCHISING, LLC

SAMPLE ASSIGNMENT AND ASSUMPTION AGREEMENT TO A BUSINESS ENTITY

ASSIGNMENT AND ASSUMPTION AGREEMENT
UPON TRANSFER TO A BUSINESS ENTITY

This Assignment and Assumption Agreement and Upon Transfer To A Business Entity (the "Agreement") is made on the date this agreement is signed by and between HFB RoofCo Franchising, LLC, a North Carolina corporation, with its principal place of business at 107 Parr Drive, Huntersville, North Carolina 28078 ("Franchisor") and _____, individually, with its principal place of business at _____ (referred to herein as "Franchisee" "Owner" and "Guarantor") (Franchisee, Owner, and Guarantor jointly referred to as "Assignor"), and _____, an _____ _____ (the "Assignee").

BACKGROUND

A. Franchisee entered into [a Franchise Agreement] [# Franchise Agreements] with Franchisor dated _____, 202_, RS____ (the "Franchise Agreement(s)") for a Roof Scientist franchise to be operated within the territory set forth in the Franchise Agreements (the "Franchised Business").

B. Assignor, by transferring its ownership interest in Franchisee, desires to assign all Assignor's rights and obligations under the Franchise Agreement to Assignee. Assignee desires to obtain these rights and is willing to assume these obligations.

C. Franchisor is willing to permit the assignment and assumption.

Now therefore, in consideration of the mutual promises and consents provided in this Agreement, and other good and valuable consideration, the sufficiency and adequacy of which the parties hereby acknowledge, the parties agree as follows:

TERMS OF AGREEMENT

1. **Assignment and Assumption**. Subject to the terms of this Agreement, Assignor assigns to Assignee, by transfer of its ownership interest in Franchisee, all of Assignor's right, title and interest in the Franchise Agreements (including Amendments, ancillary agreements and Multi-Unit Addendum) and delegates to Assignee all of Assignor's obligations under the Franchise Agreements arising from and after the Effective Date. Assignee agrees to assume and perform all of Assignor's obligations under the Franchise Agreements arising from and after the Effective Date. Simultaneously with the Assignment contemplated herein, the assigned Franchise Agreements will be amended to specify _____ is the Franchisee.

2. **No Discharge of Assignor**. The assignment by Assignor of Assignor's rights and obligations under the Franchise Agreements will not relieve Assignor or Franchisee of obligations under the Franchise Agreements that accrue before the Effective Date or after the Effective Date that are related to events occurring before the effective date of the transfer. Notwithstanding the foregoing, Assignor must report all revenue collected prior to the Effective Date and pay all royalties due thereon, on or before the 10th of the month (or the next business day after the 10th if the 10th is not a business day) following the month in which the assignment transaction closes. Assignee will be responsible for reporting all amounts collected after the Effective Date and paying all royalties on amounts collected after the Effective Date in accordance with the Franchise Agreements between Assignee and Franchisor. In addition, if assignor collects any amounts after the Effective Date that relate to operation of the business prior to (or after) the Effective date, Assignor must report all such collections to Franchisor on a monthly basis consistent with terms of the Franchise Agreements in effect as of the Effective Date and Assignor must pay royalties on those collections on a monthly basis consistent with terms of the Franchise Agreements in effect as of the Effective Date.

3. **Transfer Fees**. Because this is a transfer from an individual to a business entity, no transfer fee applies.

4. **Preconditions to Consent.** In order to cause Franchisor to consent to such sale, waive such right of first refusal, and to gain other benefits to the Assignees and the Assignors, the Assignees and Assignors have agreed to their respective commitments under this Consent.

5. **Consent and Waiver of Right of First Refusal**. As of the Effective Date, Franchisor consents to the transfer of the rights and obligations of the Assignor in and to the Franchisee, the Franchise Agreements, and the related franchised business to the Assignee. Assignor confirms that they have transferred all rights (whether held personally or otherwise) in and to the Franchisee, the Franchise Agreements, and the related franchise business to Assignee, together with all rights in and to all real and personal property used in the operations of the Franchise and the related Franchised Business. Franchisor hereby declines to exercise its right of first refusal with regard to the proposed transfer contemplated between the Assignee and Assignor.

6. **Acknowledgment**. Assignor, Assignee and Franchisor agree that the assignment of Assignor's Franchised Business and the Franchise Agreements (and the related agreements, if any) to Assignee were not affected by or through Franchisor, and that Franchisor's activities in connection therewith were limited to the exercise of its right of approval under the Franchise Agreements.

7. **Limited Release by Assignee**. Assignee, for itself and its officers, directors, stockholders, members, managers, partners, agents, heirs, executors, administrators, legal successors and assigns, release and forever discharge HFB RoofCo Franchising, LLC, and DDL Investments, Inc., and each of their respective parents, subsidiaries and affiliates, and the respective officers, directors, stockholders, members, managers, partners, employees, agents, attorneys, contractors, legal successors and assigns of each of the forgoing entities in their corporate and individual capacities ("Franchisor-Related Persons/Entities"), of and from all manner of actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, agreements, controversies, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or in equity, that Assignee and/or Assignee's officers, directors, stockholders, members, managers, partners, agents, heirs, executors, administrators, legal successors and assigns ever had, now has, or that they hereafter can or may have for, on or by reason of any matter, cause or thing whatsoever, from the beginning of the world to the Effective Date, including, without limitation, claims arising under federal, state and local laws, rules and ordinances that are related to the assignment of the Franchise Agreements ("Assignee Claims"). For the absence of confusion, the Assignee Claims do not relate to any claim of Assignee (or any person claiming through Assignee) arising under the Franchise Agreements following the Effective Date.

Being fully informed, Assignee(s) waive any rights on, and acknowledges that this release extends to all Assignee Claims Assignees have or might have against Franchisor-Related Persons/Entities, whether known or unknown.

8. **General Release by Assignor/Franchisee and Guarantors**. The Assignor, for themselves, Franchisee, and, as applicable, their officers, directors, stockholders, members, managers, partners, agents, heirs, executors, administrators, legal successors and assigns, release and forever discharge the Franchisor-Related Persons/Entities, of and from all manner of actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, agreements, controversies, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or in equity, that Assignor and/or Assignor's officers, directors, stockholders, members, managers, partners, agents, heirs, executors, administrators, legal successors and assigns, ever had, now has, or that they hereafter can or may have for, on or by reason of any matter, cause or thing

whatsoever, from the beginning of the world to the day of this Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances ("Assignor Claims").

Being fully informed, Assignor(s) waive any rights on, and acknowledge(s) that this release extends to all Assignor Claims Assignors have or might have against Franchisor-Related Persons/Entities, whether known or unknown.

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

10. **Amendment to Statement of Ownership**. The Statement of Ownership to the Franchise Agreements is hereby amended by deleting it in its entirety and replacing it with the updated Statement of Ownership attached as Exhibit A to this Agreement.

11. **Personal Guaranty**. The Personal Guaranty to the Franchise Agreements is hereby amended by deleting it in its entirety and replacing it with the updated Personal Guaranty attached as Exhibit B to this Agreement.

12. **Entire Agreement**. This Agreement represents the entire understanding and agreement between the parties with respect to the subject matter of this Agreement and supersedes all other negotiations, understandings and representations, if any, made by the parties with respect to the subject of this Agreement.

13. **Assignment; Parties In Interest**. This Agreement is binding on and inures to the benefit of the parties and their respective successors and assigns, but this Agreement and the rights or obligations in this Agreement may not be assigned by any party without the other parties' consent, except that Franchisor has the right to assign this Agreement, to any person, firm, corporation or other entity, if the assignment is made with Franchisor's assignment of its rights under the Franchise Agreements. This Agreement is made for the benefit of the parties, and nothing in this Agreement is intended to or confers any benefit on any other person, association or entity. If the Assignors, Guarantors, Assignee or any third party, or anyone acting for or on behalf of such persons or any third party, or any of them, claim to have received, from Assignee, Assignor, or otherwise, any interest in any of the Assignee Claims or Assignor Claims, commence, join in, or in any manner seek relief through any suit (or otherwise) arising out of, based upon or relating to any of the Assignee Claims or Assignor Claims released hereunder or in any manner asserts against all or any of the Franchisor-Related Persons/Entities relating to any of the Assignee Claims or Assignor Claims released hereunder, the Assignors (with regard to Assignor Claims), jointly and severally, and Assignees (with regard to Assignee Claims), jointly and severally, agree to pay all documented attorneys' fees and other documented costs incurred by any of the Franchisor-Related

Persons/Entities in defending or otherwise responding to said suit or assertion directly to the Franchisor-Related Persons/Entities incurring such costs.

14. **Notices**. Notices required or permitted hereunder shall be given in writing and deemed given upon receipt when delivered personally or by overnight courier or by certified mail, return receipt requested, and addressed as follows (or as otherwise provided by a Party by written notice under this Section 14):

Notices to Assignee:

Notices to Franchisor:	HFB RoofCo Franchising, LLC 107 Parr Drive Huntersville, NC 28078 Attn: Legal Department

15. **Authority/Agreement**. The Parties each warrant and represent to the other that they have the power and authority to enter into this Consent and will be bound by the terms hereof. NOTWITHSTANDING ANY OTHER WRITING, CONVERSATION, OR OTHER COMMUNICATION OUTSIDE OF THIS CONSENT, THE PARTIES ACKNOWLEDGE AND AGREE THAT THERE ARE NO DISPUTES AS TO THE TERMS OF THIS CONSENT, INCLUDING BUT NOT LIMITED TO THE SCOPE OF THE RELEASES OUTLINED IN SECTIONS 7 AND 8 ABOVE, ALL SUCH OBJECTIONS, IF ANY, BEING EXTINGUISHED AND OF NO FURTHER FORCE OR EFFECT, BY SIGNING THIS CONSENT. ASSIGNORS REPRESENT, WARRANT, AGREE, AND ACKNOWLEDGE THAT THEY HAVE READ, UNDERSTAND, AND AGREE TO THE TERMS OF THIS SECTION 15 AND SECTION 8, AND THAT ASSIGNORS HAVE FURTHER CONSULTED WITH LEGAL COUNSEL WHO HAS READ THIS SECTION 15 AND SECTION 8, AND THAT ASSIGNORS UNDERSTAND AND FULLY AGREE TO THE TERMS OF SECTION 15 AND SECTION 8. ASSIGNORS FURTHER REPRESENT THAT THEY HAVE HAD SUFFICIENT TIME AND OPPORTUNITY TO REVIEW THE TERMS OF THIS SECTION 15 AND SECTION 8, SEEK ADVICE FROM THEIR COUNSEL OR RECORD AND THAT THEY MAKE THE REPRESENTATIONS AND AGREE TO THESE TERMS FREELY. ASSIGNEES REPRESENT, WARRANT, AGREE, AND ACKNOWLEDGE THAT THEY HAVE READ, UNDERSTAND, AND AGREE TO THE TERMS OF THIS SECTION 15 AND SECTION 7, AND THAT ASSIGNEES HAVE FURTHER CONSULTED WITH LEGAL COUNSEL WHO HAS READ THIS SECTION 15 AND SECTION 7, AND THAT ASSIGNEES UNDERSTAND AND FULLY AGREE TO THE TERMS OF SECTION 15 AND SECTION 7. ASSIGNEES FURTHER REPRESENT THAT THEY HAVE HAD SUFFICIENT TIME AND OPPORTUNITY TO REVIEW THE TERMS OF THIS SECTION 15 AND SECTION 7, SEEK ADVICE FROM THEIR COUNSEL OR RECORD AND THAT THEY MAKE THE REPRESENTATIONS AND AGREE TO THESE TERMS FREELY.

16. **Binding Effect**. This Consent shall be binding upon and inure to the benefit of the Parties and, their respective administrators, representatives, heirs, successors, officers, directors, affiliates, successors, insurers and assigns.

17. **Dispute Resolution**. In the event of a dispute between the Parties relating to the interpretation or enforcement of this Consent the Parties agree that the dispute resolution provisions of the Franchise Agreements requiring pre-arbitration mediation and arbitration of disputes will apply and that all court proceedings, arbitration proceedings, mediation proceedings, lawsuits, court hearings and other hearings initiated by Franchisor or Assignors must and will be venued exclusively in Huntersville, North Carolina. The Parties do hereby agree and submit to personal jurisdiction in the State of North Carolina for the purposes of any suit, proceeding or hearing brought to enforce or construe the terms of this Consent or to resolve any dispute or controversy arising under, as a result of, or in connection with the Consent or

the parties' relationship. The parties do hereby agree and stipulate that any such suits, proceedings and hearings will be exclusively venued and held in Mecklenburg County, North Carolina. Assignors and Assignees waive any rights to contest such venue and jurisdiction and any claims that such venue and jurisdiction are invalid.

18. **Attorney Fees**. If any party retains the services of legal counsel to enforce the terms of this Agreement and prevails in such enforcement action, it shall be entitled to recover all reasonable and documented costs and expenses, including reasonable attorneys' fees incurred in enforcing the terms of this Agreement.

19. **Venue and Jurisdiction**. Assignor and Assignee agrees that they have and had a relationship with Franchisor at its offices in the State of North Carolina, and each Party agrees that, with the exception of Franchisor's right to seek injunctive relief in any appropriate jurisdiction, any action by or against Franchisor arising out of or relating to this Agreement shall be commenced and concluded in the State of North Carolina pursuant to the mediation, arbitration, and litigation venue and jurisdiction provisions of the Franchise Agreements. This Agreement shall be construed under the laws of the State of North Carolina, which laws shall control in the event of any conflict of law.

20. **Severability**. If any portion of this Consent is held invalid by a court or arbitrator, the remainder of this Consent shall be enforced in harmony with the purpose of this Consent and the intent of the Parties at the time of its making. If any provision of this Consent is held to be excessive as to time or scope, then that provision shall be interpreted as if its provisions reached only to the maximum extent enforceable under applicable law.

21. **Headings**. The headings used in this Consent are merely for identification of the substantive provisions; and to the extent they conflict with any substantive portion of this Consent, they are to be disregarded.

22. **Construction**. The Parties hereto hereby mutually acknowledge this Consent was mutually drafted and it shall not be construed for or against any Party on the basis of the drafting of any particular provision or the document of the whole, but rather shall be given a fair and reasonable interpretation, based on the plain language of this Consent in expressing the Parties' intent.

23. **Counterparts**. This Agreement may be executed in multiple counterparts by the various parties and the failure to have the signatures of all parties on a single Agreement shall not affect the validity or enforceability of any part of this Agreement against any party who executes any counterpart of the Agreement. Executed facsimile or other electronically delivered copies of this Agreement shall be deemed to be effective as original signatures.

24. **Definitions**. Unless otherwise stated, all terms used in this Agreement have the same meaning as indicated in the Franchise Agreements.

I HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

IN WITNESS WHEREOF, the parties have set their hands and seals.

FRANCHISOR:

HFB ROOFCO FRANCHISING, LLC,
a North Carolina limited liability company

_____
Jeffrey R. Dudan, President

ASSIGNOR:

_____

, Individually

ASSIGNEE:

[ENTITY]
a _____

_____

EXHIBIT A TO ASSIGNMENT AND ASSUMPTION (TO BUSINESS ENTITY)

STATEMENT OF OWNERSHIP

FRANCHISEE:

Form of Ownership
(Check One)

☐ Individual ☐ Limited Liability Company ☐ Limited Partnership

☐ Corporation ☐ General Partnership

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

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

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

State and Date of Formation/Incorporation: _____

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

Name	Title

Members, Stockholders, Partners:

Name	Address	Percentage Owned

This form is current and complete as of _____, 202_.

FRANCHISEE:

[ENTITY]
a _____

_____

EXHIBIT B TO ASSIGNMENT AND ASSUMPTION (TO BUSINESS ENTITY)
HFB ROOFCO FRANCHISING, LLC
FRANCHISE AGREEMENTS

PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, EACH OF FRANCHISEE'S SHAREHOLDERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A PARTNERSHIP, EACH OF FRANCHISEE'S GENERAL PARTNERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A LIMITED LIABILITY COMPANY, EACH OF FRANCHISEE'S MEMBERS AND MANAGERS AND THEIR SPOUSES MUST EXECUTE THE FOLLOWING UNDERTAKING.

Definition of "Franchisee:" _____ (person(s) or entity)

☐ Individual ☐ Limited Liability Company ☐ Corporation

☐ General Partnership ☐ Limited Partnership

ARTICLE I
PERSONAL GUARANTY

The undersigned persons (individually and collectively "you" or "Personal Guarantors") hereby represent to HFB RoofCo Franchising, LLC ("Franchisor") that you are all of the owners, shareholders, general partners, or members and managers, or the spouse of any such owner, shareholder, general partner, member or manager of the Franchisee. In consideration of the grant by Franchisor to Franchisee, as provided in the foregoing Franchise Agreements (the "Franchise Agreements"), each of you hereby agree, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the foregoing Franchise Agreements, and any other agreement between Franchisee and Franchisor and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the aforesaid Franchise Agreements or other agreement between Franchisor and Franchisee, including, without limitation, any indebtedness of Franchisee arising under or by virtue of the aforesaid Franchise Agreements and that you (jointly and individually) will not permit or cause any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed transfer, which consent must not be unreasonably withheld, and without first paying or causing to be paid to Franchisor the transfer fee provided for in said Franchise Agreements, if applicable, and without otherwise complying with the transfer provisions of the foregoing Franchise Agreements. You further agree to be bound by the in-term and post-term non-competition and non-solicitation covenants set forth in Section 17 of the Franchise Agreements, as well as all other covenants set forth in the Franchise Agreements, including, but not limited to, those concerning confidentiality (Section 5 of the Franchise Agreements) and indemnification (Section 13.2 of the Franchise Agreements). You agree that this personal guaranty (the "Guaranty") will be governed by the dispute resolution procedures set forth in Section 18 of the Franchise Agreements.

ARTICLE II
CONFIDENTIALITY

During the term of this Guaranty, you will receive information which Franchisor considers a trade secret and confidential information ("Confidential Information"). You shall not, during the term of this

Guaranty or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information, including, without limitation, Franchisor's Operations Manual and its contents; price lists and standards and specifications for the Approved Products and Approved Services; standards and specifications related to Franchisor's integrated bookkeeping system; and other methods, techniques and know-how concerning the operation of a Franchised Business of which you may be apprised by virtue of your role as a Personal Guarantor of Franchisee.

ARTICLE III
NON-COMPETITION

1. **During the Term of the Franchise Agreements**. During the term of the Franchise Agreements, neither you nor your owners, principals, officers, directors, nor any members of your family or the family of your owners, officers, directors or principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person or entity:

a. Own, maintain, engage in, be employed as an officer, director, principal of, lend money to, extend credit to, or have any interest in, any other business that, directly or indirectly, by itself or through licensees or franchisees, offers the Approved Products or Approved Services, or any other products and/or services authorized or offered for sale by System franchisees (a "Competitive Business") within the Designated Territory or the Designated Territory of any other System franchisee, provided that this Article III does not apply to: (i) such person's ownership of a Franchised Business under a Franchise Agreements with Franchisor; or (ii) such person's ownership of a less than five percent (5%) legal or beneficial interest in any publicly-traded company providing such services;

b. Employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates, or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

c. Solicit any current, former or prospective customer solicited by Franchisee's Franchised Business, or any other customer of whom Franchisee has become aware as a result of access to Franchisor's System, or other franchisees for any competitive purpose.

2. **After the Term of the Franchise Agreements**. For a period of 2 years after the expiration and nonrenewal, transfer or termination of the Franchise Agreements, regardless of the cause, neither you, nor your owners, principals, officers, directors, nor any members of your family or the family of your owners, officers, directors, or principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person or entity:

a. Own, maintain, engage in, be employed as an officer, director, principal of, lend money to, extend credit to, or have any interest in any Competitive Business: (i) within the Designated Territory; (ii) within a 25-mile radius of the Designated Territory of any other Franchised Business; or (iii) within a 25-mile radius of any System business operated by Franchisor or its affiliate, provided that this Article III does not apply to: (A) such person's ownership of a Franchised Business under a Franchise Agreements with Franchisor; or (B) such person's ownership of a less than five percent (5%) legal or beneficial interest in any publicly-traded company providing services the same as or similar to a Competitive Business;

b. Employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates, or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

c. Solicit any current, former or prospective customer solicited by Franchisee's Franchised Business or any other customer of whom Franchisee has become aware as a result of access to Franchisor's System, or other franchisees for any competitive purpose.

3. **Intent and Enforcement**. It is the parties' intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by you, any of your principals, or any members of their immediate family, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article III, Franchisor's harm will be irreparable, and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that each of you has previously worked or been gainfully employed in other careers and that the provisions of this Article III in no way prevent you from earning a living. You further acknowledge and agree that the time limitation of this Article III shall be tolled during any default under this Guaranty.

ARTICLE IV
DISPUTE RESOLUTION

1. **Acknowledgment**. You acknowledge that this Guaranty is not a Franchise Agreements and does not confer upon you any rights to use the Franchisor's Proprietary Marks or its System.

2. **Governing Law**. This Guaranty shall be deemed to have been made in and governed by the laws of the State of North Carolina, without any reference to North Carolina conflict of laws principles.

3. **Internal Dispute Resolution**. Franchisee and Franchisor believe that it is important to resolve any disputes amicably, quickly, cost-effectively and professionally and to return to business as soon as possible. Franchisee and Franchisor have agreed that the provisions of Sections 3 and 4 of this Personal Guaranty support these mutual objectives and, therefore, agree as follows. Any disagreement, litigation, claim, dispute, suit, action, controversy or proceeding of any type whatsoever, including any claim for equitable relief and/or where Franchisee is acting as a "private attorney general" suing pursuant to a statutory claim or otherwise between or involving a Guarantor, Franchisee and/or Franchisor, on whatever theory and/or facts based, and whether or not arising out of this Guaranty (including any dispute or disagreement relating to arbitration, including the arbitrability of this Guaranty or any of its provisions), or offer, sale or negotiation of a Roof Scientist Franchise, or the relationship of the parties arising from the Franchise or from entering this Guaranty or the Franchise Agreements, or any claim that this Guaranty or the Franchise Agreements or any part thereof is invalid, illegal or otherwise voidable, void or unenforceable ("Dispute") will be processed in the following manner, Franchisee and Franchisor each expressly waiving all rights to any court proceeding, except as expressly provided below in Section 4.1. Personal Guarantor must first bring any claim or Dispute between Franchisee and Franchisor or Personal Guarantor and Franchisor to Franchisor's management after providing notice as set forth in Section 4.8 below. Personal Guarantor must exhaust this internal Dispute resolution procedure before Personal Guarantor may bring Personal Guarantor's Dispute before a third party. This agreement to first attempt resolution of Disputes internally shall survive termination or expiration of this Guaranty. Personal Guarantor and Franchisor agree that the franchise relationship is unique and that as a result, it is important that anyone who serves as a mediator or arbitrator in a Dispute must have a minimum of 7 years' substantive experience in franchise law.

4. **Mediation/Arbitration**. If Personal Guarantor and Franchisor are unable to resolve a Dispute using the internal Dispute resolution procedure, then Disputes, which are not first resolved through the internal Dispute resolution procedure set forth in Section 3 above must be submitted first to non-binding mediation in Mecklenburg County, North Carolina under the auspices of the American Arbitration Association ("AAA"), in accordance with AAA's Commercial Mediation Rules then in effect. The

mediation will be conducted by one mediator with at least seven years of substantive experience in franchise law who will be appointed under the AAA's Commercial Mediation Rules and who will conduct the mediation in accordance with such rules. Mediation must be conducted on an individual, not a class-wide, basis; only Franchisor (and/or its affiliates and its and their respective owners, officers, directors, agents and employees) and Franchisee (and/or its Owners, guarantors, affiliates, officers, directors, agents and employees, if applicable) may be the parties to any mediation proceeding described in this Section, and no such mediation proceeding may be consolidated with any other mediation proceeding between Franchisor and any other person, corporation, limited liability company or partnership. Franchisor and Personal Guarantor agree that statements made by Franchisor, Personal Guarantor or any other party in any such mediation proceeding will not be admissible in any arbitration or other legal proceeding. If the mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) if the mediation does not resolve the dispute by written agreement within 14 days after the mediation, then, subject to the exclusions set forth in Section 4.1, all Disputes must be submitted to binding arbitration before one arbitrator of the AAA in accordance with its commercial arbitration rules. The arbitration will be conducted by one arbitrator with at least seven years of substantive experience in franchise law who will be appointed under the AAA's Commercial Arbitration Rules and who will conduct the arbitration in accordance with such rules. Except as provided in Section 4.1, no party may file litigation involving any Dispute unless it has complied with the mediation and arbitration provisions in this Article regarding that Dispute. "Filing litigation" includes asserting a counterclaim, third-party claim or other claim relating to a Dispute (irrespective of whether the party asserting the claim filed the legal action in which the claim is asserted). Franchisor's rights to mediation and arbitration, as set forth herein may be specifically enforced by Franchisor. Each party shall bear its own cost of mediation and arbitration and Franchisor and Personal Guarantor shall share mediation costs equally. This agreement to mediate and arbitrate shall survive any termination or expiration of this Guaranty.

4.11 The parties shall not be required to first attempt to mediate or arbitrate a controversy, Dispute, or claim through mediation as set forth in this Section 4.1 if such controversy, Dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating):

4.11.1 Any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information;

4.11.2 Any claims pertaining to or arising out of any warranty issue;

4.11.3 Any of the restrictive covenants contained in this Guaranty;

4.11.4 Any of Franchisee's payment obligations that are more than forty-five (45) days past due;

4.11.5 Any claims arising out of or related to fraud or misrepresentation by Personal Guarantor, Franchisee, or Franchisee's insolvency;

4.11.6 Any claims relating to Franchisee's obligations on termination or expiration of this Guaranty;

4.11.7 Any claims relating to any Transfer of an interest in Franchisee, the Franchised Business or Franchisee's assets; or

4.11.8 Any matters involving danger, health or safety.

4.12 **Interpretation**. The provisions of this Guaranty must be construed as independent of any other covenant or provision of this Guaranty. However, if a court or arbitrator of competent

jurisdiction determines that any provisions are unlawful, that court or arbitrator is to modify or interpret the provisions to the minimum extent necessary to have them comply with the law. Notwithstanding any provision relating to the state laws by and under which this Guaranty must be governed and construed, all issues relating to arbitrability or the enforcement of the agreement to arbitrate in this Guaranty must be governed by the United States Arbitration Act (9 U.S.C. § 1 et seq.) and the Federal common law of arbitration. The arbitrator, and not any federal, state or local court, shall have exclusive authority to resolve any Dispute relating to the interpretation, applicability, unconscionability, arbitrability, enforceability or formation of this Guaranty, including any claim of fraud in the inducement or that all or any part of the Guaranty is void or voidable. However, the preceding sentence shall not apply to the clause entitled "Class Action Waiver."

4.13 **Judgment**. Judgment on an arbitration award may be entered in any court of competent jurisdiction. This judgment is binding, final and non-appealable.

4.14 **Failure to Appear**. The arbitration and mediation provisions in this Article are self-executing and remain in full force and effect after the expiration or sooner termination of this Guaranty. If either party fails to appear at any properly noticed arbitration proceeding, notwithstanding failing to appear, an award may be entered against that party by default or otherwise.

4.15 **Class Action Waiver**. Any proceeding (whether mediation, arbitration, trial by a court or jury, appeal or otherwise) must be brought in the parties' individual capacity and not as a plaintiff or class member in any purported class, collective, representative, multiple plaintiff or similar proceeding ("Class Action"). Personal Guarantor and Franchisor expressly waive any ability to maintain any Class Action in any forum. Further, an arbitration proceeding between Franchisor and Personal Guarantor (or any of Franchisee's or Franchisor's affiliates and owners and guarantors) may not be consolidated with any other arbitration proceeding between them and any other franchisee, person or entity. Personal Guarantor hereby agrees not to seek joinder of any of its claims with those of any other party. The arbitrator shall not have authority to combine or aggregate similar claims or conduct any Class Action nor make an award to any person or entity not a party to the arbitration. Any claim that all or part of this Class Action Waiver is unenforceable, unconscionable, void or voidable may be determined only by a court of competent jurisdiction and not by an arbitrator. PERSONAL GUARANTOR AND FRANCHISOR UNDERSTAND THAT FRANCHISOR WOULD HAVE HAD A RIGHT TO LITIGATE THROUGH A COURT, TO HAVE A JUDGE OR JURY DECIDE ITS CASE, AND TO BE PARTY TO A CLASS OR REPRESENTATIVE ACTION. HOWEVER, PERSONAL GUARANTOR AND FRANCHISOR UNDERSTAND AND CHOOSE TO WAIVE THAT RIGHT AND HAVE ANY CLAIMS DECIDED INDIVIDUALLY THROUGH ARBITRATION. It is Personal Guarantor's and Franchisor's joint business judgment that the limitations of this subsection make good business sense, because:

4.15.1 the mediation and arbitration procedures contemplated by this Guaranty (and which Personal Guarantor and Franchisor agree are the core methods for resolving Disputes) function most effectively on an individual case basis;

4.15.2 there are significant business and other factors present in each individual Personal Guarantor's situation which should be respected; and

4.15.3 the economic interests of lawyers on either side in class-wide or multiple plaintiff disputes, as well as the tendency to polarize positions makes accommodation and compromise, as a practical business matter, less easily achieved, which would be a serious detriment to Personal Guarantor's and Franchisor's business interests, as well as those of the entire Franchise System, in quickly, amicably and economically resolving any Dispute.

4.16 **Selection of Venue**. Nothing contained in this Guaranty shall prevent Franchisor from applying to and obtaining from any court having jurisdiction, a writ of attachment, a

temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interests. The parties expressly agree to the jurisdiction and venue of any court of general jurisdiction in Mecklenburg County, North Carolina and the jurisdiction and venue of the United States District Court for the Western District of North Carolina. Personal Guarantor acknowledges that this Guaranty has been entered into in the State of North Carolina, and that Franchisee, whose obligations Personal Guarantor is guaranteeing, is to receive valuable and continuing services emanating from Franchisor's headquarters in Huntersville, North Carolina, including, but not limited to, training, assistance, support and the development of the System. In recognition of such services and their origin, Personal Guarantor hereby irrevocably consents to the personal jurisdiction of the state and federal courts of North Carolina as set forth in this Section.

4.17 **Third Party Beneficiaries**. Franchisor's officers, directors, shareholders, members, agents and/or employees are express third party beneficiaries of the provisions of this Guaranty, including the mediation provision set forth in this Section 4, each having authority to specifically enforce the right to mediate claims asserted against such person(s) by Personal Guarantor.

4.18 **Prior Notice of Claims**. As a condition precedent to commencing an action for damages or for violation or breach of this Guaranty, Personal Guarantor must notify Franchisor within 30 days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

4.19 **No Right to Offset**. Personal Guarantor shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Guaranty or any related agreements.

4.20 **Injunctive Relief**. The Franchised Business is intended to be one of a large number of businesses identified by the Proprietary Marks selling to the public the Approved Products and Approved Services associated with the Proprietary Marks. Consequently, a single Personal Guarantor's failure to comply with the terms of its Franchise Agreements is likely to cause irreparable damage to Franchisor, and damages at law would therefore be an inadequate remedy. On Personal Guarantor's breach or threatened breach of any of the terms concerning any matters referenced in Section 4.1, Franchisor may seek an injunction restraining the breach and/or a decree of specific performance (with recovery of reasonable attorneys' fees and costs incurred in obtaining equitable relief). Franchisor may do so without demonstrating or proving any actual damage. These equitable remedies are in addition to all other rights or remedies to which Franchisor may otherwise be entitled because of Personal Guarantor's breach of this Guaranty. Franchisor may seek this relief without posting any bond or security. However, if a court of competent jurisdiction requires a bond or security, a bond or security for $1,000 is sufficient. Notwithstanding anything in this Guaranty to the contrary, Franchisor may seek injunctive relief in any jurisdiction that has jurisdiction over Personal Guarantor or any other party against whom the relief is sought. If injunctive relief is granted, Personal Guarantor's only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Personal Guarantor expressly waives all claims for damages Personal Guarantor incurred as a result of the wrongful issuance.

5. **Jurisdiction and Venue**. Nothing contained in this Guaranty shall prevent Franchisor from applying to and obtaining from any court having jurisdiction, a writ of attachment, a temporary injunction, preliminary injunction, and/or other emergency relief available to safeguard and protect Franchisor's interests. The parties expressly agree to the jurisdiction and venue of any court of general jurisdiction in Mecklenburg County, North Carolina and the jurisdiction and venue of the United States District Court for the Western District of North Carolina. The parties acknowledge and agree that this Guaranty has been entered into in the State of North Carolina, and that Franchisee, whose obligations Personal Guarantor is guaranteeing, is to receive valuable and continuing services emanating from Franchisor's headquarters in Huntersville, North Carolina, including, but not limited to, training, assistance,

support and the development of the System. In recognition of such services and their origin, you hereby irrevocably consent to the personal jurisdiction of the state and federal courts of North Carolina as set forth herein.

6. **Jury Trial Waiver. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS PERSONAL GUARANTY OR THE FRANCHISE AGREEMENTS, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM FRANCHISOR OF THE FRANCHISE, OPTION AND/OR ANY PRODUCTS OR SERVICES.**

7. **Waiver of Punitive Damages**. You waive, to the fullest extent permitted by law, any right to, or claim for, any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a Dispute, your recovery shall be limited to actual damages. If any other term of this Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

8. **Limitation on Action**. You agree that no cause of action arising out of or under this Guaranty or the Franchise Agreements may be maintained by you unless brought before the expiration of 1 year after the act, transaction or occurrence upon which such action is based or the expiration of 1 year after you become aware of facts or circumstances reasonably indicating that you may have a claim against the Franchisor, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off. Notwithstanding anything to the contrary contained herein, all actions will be conducted on an individual, not a class-wide, basis and any proceeding between you, Franchisee, and Franchisor or its affiliates or employees may not be consolidated with any other proceeding between Franchisor and any other person or entity.

9. **Attorneys' Fees**. If the undersigned is in breach or default of any monetary or non-monetary material obligation under the Franchise Agreements or this Guaranty, or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Franchisee must pay all reasonable attorneys' fees, court costs and litigation expenses Franchisor incurs. If the undersigned or Franchisee institutes any legal action to interpret or enforce the terms of this Guaranty or the Franchise Agreements, and the claim(s) in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

10. **Nonwaiver**. Franchisor's failure to insist upon strict compliance with any provision of this Guaranty and the Franchise Agreements shall not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default shall not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Guaranty shall be cumulative. Franchisor's election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

11. **Severability**. The parties agree that if any provisions of this Guaranty may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning that renders it valid and enforceable. The language of all provisions of this Guaranty shall be construed according to

fair meaning and not strictly construed for or against either party. The provisions of this Guaranty are severable, and this Guaranty shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Guaranty shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Guaranty.

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

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

14. **No Personal Liability**. You agree that fulfillment of any and all of Franchisor's obligations written in this Guaranty or in the Franchise Agreements or based on any oral communications which may be ruled to be binding in a Court of Law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee or you for any reason.

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS GUARANTY TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.

PERSONAL GUARANTOR:	**PERSONAL GUARANTOR:**
_____, Individually	_____, Individually

EXHIBIT H

TO FDD
HFB ROOFCO FRANCHISING, LLC

SAMPLE GENERAL RELEASE

Sample General Release

1. **General Release by Franchisee and Guarantors**. The Franchisee and Guarnator(s), and, as applicable, their officers, directors, stockholders, members, managers, partners, agents, heirs, executors, administrators, legal successors and assigns, release and forever discharge [Franchisor Entity], HFB Franchisor Holdings, LLC, and DDL Investments, Inc., and each of their respective parents, subsidiaries and affiliates, and the respective officers, directors, stockholders, members, managers, partners, employees, agents, attorneys, contractors, legal successors and assigns of each of the forgoing entities in their corporate and individual capacities ("Franchisor-Related Persons/Entities"), of and from all manner of actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, agreements, controversies, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or in equity, that Assignor and/or Assignor's officers, directors, stockholders, members, managers, partners, agents, heirs, executors, administrators, legal successors and assigns, ever had, now has, or that they hereafter can or may have for, on or by reason of any matter, cause or thing whatsoever, from the beginning of the world to the day of this Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances ("Assignor Claims").

Being fully informed, Assignor(s) waive any rights on, and acknowledge(s) that this release extends to all Assignor Claims Assignors have or might have against Franchisor-Related Persons/Entities, whether known or unknown.

[Add for California]

YOU ACKNOWLEDGE THAT YOU ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

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

YOU, BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVE ALL OF THEIR RIGHTS THEREUNDER AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION, INCLUDING, WITHOUT LIMITATION, CALIFORNIA AND/OR JURISDICTIONS OF YOUR RESIDENCE AND LOCATION OF FRANCHISED UNIT.

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[Add for Washington State]

This release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

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

3. **Entire Agreement**. This Agreement represents the entire understanding and agreement between the parties with respect to the subject matter of this Agreement and supersedes all other negotiations, understandings and representations, if any, made by the parties with respect to the subject of this Agreement.

4. **Assignment; Parties In Interest**. This Agreement is binding on and inures to the benefit of the parties and their respective successors and assigns, but this Agreement and the rights or obligations in this Agreement may not be assigned by any party without the other parties' consent, except that Franchisor has the right to assign this Agreement, to any person, firm, corporation or other entity, if the assignment is made with Franchisor's assignment of its rights under the Franchise Agreements. This Agreement is made for the benefit of the parties, and nothing in this Agreement is intended to or confers any benefit on any other person, association or entity. If the Assignors, Guarantors, Assignee or any third party, or anyone acting for or on behalf of such persons or any third party, or any of them, claim to have received, from Assignee, Assignor, or otherwise, any interest in any of the Assignee Claims or Assignor Claims, commence, join in, or in any manner seek relief through any suit (or otherwise) arising out of, based upon or relating to any of the Assignee Claims or Assignor Claims released hereunder or in any manner asserts against all or any of the Franchisor-Related Persons/Entities relating to any of the Assignee Claims or Assignor Claims released hereunder, the Assignors (with regard to Assignor Claims), jointly and severally, and Assignees (with regard to Assignee Claims), jointly and severally, agree to pay all documented attorneys' fees and other documented costs incurred by any of the Franchisor-Related Persons/Entities in defending or otherwise responding to said suit or assertion directly to the Franchisor-Related Persons/Entities incurring such costs.

5. **Notices**. Notices required or permitted hereunder shall be given in writing and deemed given upon receipt when delivered personally or by overnight courier or by certified mail, return receipt requested, and addressed as follows (or as otherwise provided by a Party by written notice under this Section 14):

Notice to Assignor:

Notice to Assignee:

Notice to Franchisor: [Franchisor Entity]
Attention: Legal Department
107 Parr Drive
Huntersville, North Carolina 28078

6. **Authority/Agreement**. The Parties each warrant and represent to the other that they have the power and authority to enter into this Consent and will be bound by the terms hereof. NOTWITHSTANDING ANY OTHER WRITING, CONVERSATION, OR OTHER COMMUNICATION OUTSIDE OF THIS CONSENT, THE PARTIES ACKNOWLEDGE AND AGREE THAT THERE ARE NO DISPUTES AS TO THE TERMS OF THIS CONSENT, INCLUDING BUT NOT LIMITED TO THE SCOPE OF THE RELEASES OUTLINED IN SECTIONS 7 AND 8 ABOVE, ALL SUCH OBJECTIONS, IF ANY, BEING EXTINGUISHED AND OF NO FURTHER FORCE OR EFFECT, BY SIGNING THIS CONSENT. ASSIGNORS REPRESENT, WARRANT, AGREE, AND ACKNOWLEDGE THAT THEY HAVE READ, UNDERSTAND, AND AGREE TO THE TERMS OF THIS SECTION 15 AND SECTION 8, AND THAT ASSIGNORS HAVE FURTHER CONSULTED WITH LEGAL COUNSEL WHO HAS READ THIS SECTION 15 AND SECTION 8, AND THAT ASSIGNORS UNDERSTAND AND FULLY AGREE TO THE TERMS OF SECTION 15 AND SECTION 8. ASSIGNORS FURTHER REPRESENT THAT THEY HAVE HAD SUFFICIENT TIME AND OPPORTUNITY TO REVIEW THE TERMS OF THIS SECTION 15 AND SECTION 8, SEEK ADVICE FROM THEIR COUNSEL OR RECORD AND THAT THEY MAKE THE REPRESENTATIONS AND AGREE TO THESE TERMS FREELY. ASSIGNEES REPRESENT, WARRANT, AGREE, AND ACKNOWLEDGE THAT THEY HAVE READ, UNDERSTAND, AND AGREE TO THE TERMS OF THIS SECTION 15 AND SECTION 7, AND THAT ASSIGNEES HAVE FURTHER CONSULTED WITH LEGAL COUNSEL WHO HAS READ THIS SECTION 15 AND SECTION 7, AND THAT ASSIGNEES UNDERSTAND AND FULLY AGREE TO THE TERMS OF SECTION 15 AND SECTION 7. ASSIGNEES FURTHER REPRESENT THAT THEY HAVE HAD SUFFICIENT TIME AND OPPORTUNITY TO REVIEW THE TERMS OF THIS SECTION 15 AND SECTION 7, SEEK ADVICE FROM THEIR COUNSEL OR RECORD AND THAT THEY MAKE THE REPRESENTATIONS AND AGREE TO THESE TERMS FREELY.

7. **Binding Effect**. This Consent shall be binding upon and inure to the benefit of the Parties and, their respective administrators, representatives, heirs, successors, officers, directors, affiliates, successors, insurers and assigns.

8. **Dispute Resolution**. In the event of a dispute between the Parties relating to the interpretation or enforcement of this Consent the Parties agree that the dispute resolution provisions of the Franchise Agreements requiring pre-arbitration mediation and arbitration of disputes will apply and that all court proceedings, arbitration proceedings, mediation proceedings, lawsuits, court hearings and other hearings initiated by Franchisor or Assignors must and will be venued exclusively in Huntersville, North

Carolina. The Parties do hereby agree and submit to personal jurisdiction in the State of North Carolina for the purposes of any suit, proceeding or hearing brought to enforce or construe the terms of this Consent or to resolve any dispute or controversy arising under, as a result of, or in connection with the Consent or the parties' relationship. The parties do hereby agree and stipulate that any such suits, proceedings and hearings will be exclusively venued and held in Mecklenburg County, North Carolina. Assignors and Assignees waive any rights to contest such venue and jurisdiction and any claims that such venue and jurisdiction are invalid.

9. **Attorney Fees**. If any party retains the services of legal counsel to enforce the terms of this Agreement and prevails in such enforcement action, it shall be entitled to recover all reasonable and documented costs and expenses, including reasonable attorneys' fees incurred in enforcing the terms of this Agreement.

10. **Venue and Jurisdiction**. Assignor and Assignee agrees that they have and had a relationship with Franchisor at its offices in the State of North Carolina, and each Party agrees that, with the exception of Franchisor's right to seek injunctive relief in any appropriate jurisdiction, any action by or against Franchisor arising out of or relating to this Agreement shall be commenced and concluded in the State of North Carolina pursuant to the mediation, arbitration, and litigation venue and jurisdiction provisions of the Franchise Agreements. This Agreement shall be construed under the laws of the State of North Carolina, which laws shall control in the event of any conflict of law.

11. **Severability**. If any portion of this Consent is held invalid by a court or arbitrator, the remainder of this Consent shall be enforced in harmony with the purpose of this Consent and the intent of the Parties at the time of its making. If any provision of this Consent is held to be excessive as to time or scope, then that provision shall be interpreted as if its provisions reached only to the maximum extent enforceable under applicable law.

12. **Headings**. The headings used in this Consent are merely for identification of the substantive provisions; and to the extent they conflict with any substantive portion of this Consent, they are to be disregarded.

13. **Construction**. The Parties hereto hereby mutually acknowledge this Consent was mutually drafted and it shall not be construed for or against any Party on the basis of the drafting of any particular provision or the document of the whole, but rather shall be given a fair and reasonable interpretation, based on the plain language of this Consent in expressing the Parties' intent.

14. **Counterparts**. This Agreement may be executed in multiple counterparts by the various parties and the failure to have the signatures of all parties on a single Agreement shall not affect the validity or enforceability of any part of this Agreement against any party who executes any counterpart of the Agreement. Executed facsimile or other electronically delivered copies of this Agreement shall be deemed to be effective as original signatures.

15. **Definitions**. Unless otherwise stated, all terms used in this Agreement have the same meaning as indicated in the Franchise Agreements.

I HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS. I WOULD

NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

IN WITNESS WHEREOF, the parties have set their hands and seals.

EXHIBIT I

TO FDD
HFB ROOFCO FRANCHISING, LLC

STATE SPECIFIC ADDENDA

CALIFORNIA ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

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

OUR WEBSITE, WWW.ROOFSCIENTIST.COM, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AND COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

Item 3, Additional Disclosure:

Neither we nor any person described in Item 2 of the Disclosure Document is subject to any currently effective order of any National Securities Association or National Securities Exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq. suspending or expelling such persons from membership in such association or exchange.

Item 6, Additional Disclosure:

The highest interest rate allowed by law in California is 10% annually or 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.

Item 17, Additional Disclosures:

The franchise agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043)).

The franchise agreement requires application of the laws of the State of North Carolina. This provision may not be enforceable under California law.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. §101 et seq.).

The franchise agreement requires binding arbitration. The arbitration will occur in Charlotte, North Carolina with the cost being borne by the parties as determined by the arbitrator. Prospective franchisees are encouraged to consult with 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.

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.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement, franchise disclosure document, acknowledgment, questionnaire or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable. The law also prohibits a franchisor from disclaiming or denying:

(a) Representations it, its employees, or its agents make to you,
(b) your ability to rely on any representations it makes to you, or
(c) any violations of the law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Fee Deferral

The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business. For any development agreement, the payment of the development and initial fee attributable to a specific unit is deferred until that unit is open.

CALIFORNIA ADDENDUM
TO FRANCHISE AGREEMENT

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement or any *Multi-Unit Addendum* that applies to the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043)).

The Franchise Agreement requires application of the laws of the State of North Carolina. This provision may not be enforceable under California law.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. The Federal Bankruptcy Code also provides rights to franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. If the Franchise Agreement is inconsistent with the law, the law will control.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Charlotte, North Carolina with the cost being borne by the parties as determined by the arbitrator. Prospective franchisees are encouraged to consult with 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.

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.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement, franchise disclosure document, acknowledgment, questionnaire or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable. The law also prohibits a franchisor from disclaiming or denying:

(a) Representations it, its employees, or its agents make to you,
(b) your ability to rely on any representations it makes to you, or
(c) any violations of the law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise. This paragraph 3 applies to any Multi-Unit Addendum that applies the Franchise Agreement.

4. **Fee Deferral**. The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business. For any development agreement, the payment of the development and initial fee attributable to a specific unit is deferred until that unit is open.

5. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned does hereby acknowledge receipt of this addendum and have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

HFB ROOFCO FRANCHISING, LLC,
a North Carolina limited liability company

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

_____

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

CONNECTICUT COVER SHEET
DISCLOSURES REQUIRED BY CONNECTICUT LAW

The State of Connecticut does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.

If the seller fails to deliver the products, equipment or supplies or fails to render the services necessary to begin substantial operation of the business within forty-five days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

Item 19 is amended by adding the following:

Caution: Some business opportunities have (sold)(earned) this amount. There is no assurance you will do as well. If you rely upon our figures, you must accept the risk of not doing as well.

CONNECTICUT ADDENDUM
TO FRANCHISE AGREEMENT

This Addendum pertains to franchises/business opportunities sold in the State of Connecticut and will be for the purpose of complying with certain provisions of Connecticut Law:

1. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

2. Notwithstanding any provision of the Franchise Agreement and any related agreements specifying that fees are non-refundable, fees are refundable if you cancel the contract pursuant to Section 36b-63(c)(23) of the Connecticut Business Opportunity Investment Act which states:

> **If the seller fails to deliver the products, equipment or supplies or fails to render the services necessary to begin substantial operation of the business within forty-five days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.**

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	**FRANCHISEE:**
A1 KITCHEN & BATH FRANCHISING, LLC, a North Carolina limited liability company	_____
	a(n) _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

By: _____

Name: _____

Title: _____

Date: _____

HAWAII ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§482E-1 – 482E-12 applies, the terms of this Addendum apply.

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

FRANCHISOR:	**FRANCHISEE:**
HFB ROOFCO FRANCHISING, LLC, a North Carolina limited liability company	_____ a(n) _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

HAWAII ADDENDUM
TO FRANCHISE AGREEMENT

To the extent the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§482E-1 – 482E-12 applies, the terms of this Addendum apply.

1. The franchisor having filed the Franchise Disclosure Document under the Franchise Investment Law of The State of Hawaii does not constitute approval, recommendation or endorsement by the Director of Commerce and Consumer Affairs or a finding by the Director of Commerce and Consumer Affairs that the information provided therein is true, complete and not misleading.

2. In accordance with the Hawaii Franchise Investment Law, we have provided to you, at least 7 days prior to your execution of any binding franchise or other agreement, or at least 7 days prior to your payment of any consideration, whichever occurs first, a copy of the Franchise Disclosure Document, together with a copy of all proposed agreements relating to the sale of the franchise.

3. The Franchise Disclosure Document contains only a summary of certain material provisions of the Franchise Agreement. You should refer to the Franchise Agreement for a statement of all rights, conditions, restrictions and obligations of both us and you.

4. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	**FRANCHISEE:**
HFB ROOFCO FRANCHISING, LLC, a North Carolina limited liability company	_____ a(n) _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ILLINOIS ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

The following statements are added to Item 17:

1. Illinois law governs the Franchise Agreement.

2. Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

3. Your rights upon termination and non-renewal of an agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

5. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. "NATIONAL ACCOUNTS" EXIST IN THIS FRANCHISE SYSTEM. FRANCHISOR RESERVES THE RIGHT TO ESTABLISH, IDENTIFY, NEGOTIATE THE TERMS FOR AND SERVICE "NATIONAL ACCOUNTS" WITHIN YOUR TERRITORY. FRANCHISOR OR A 3rd PARTY DESIGNATED BY THE FRANCHISOR MAY PROVIDE PRODUCTS & SERVICES TO A "NATIONAL ACCOUNT". IN YOUR TERRITORY WITH NO COMPENSATION PAID TO YOU.

ITEM 5, Fee Deferral:

All initial fees and payments owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the multi-unit addendum is open. The Illinois Attorney General's Office imposed this deferral requirement because of Franchisor's financial condition.

7. There is NO CAP on how much your monthly Technology Fee can increase. It is currently $850/mo.

8. Some or all of the Training for this franchise may be conducted virtually.

ILLINOIS ADDENDUM
TO FRANCHISE AGREEMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Illinois law governs the Franchise Agreement.

b. Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

c. Your rights upon termination and non-renewal of a franchise agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

d. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. All initial fees and payments owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the multi-unit addendum is open.

4. "National Accounts" exist in this franchise System. The Franchisor reserves the right to establish, identify, negotiate the terms for, and service "National Accounts" within your territory. The Franchisor or a third party designated by the Franchisor may provide products and services to a "National Account" within your territory with no compensation paid to you.

5. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

6. There is NO CAP on how much your monthly Technology Fee can increase. It is currently $850/mo.

7. Some or all of the Training for this franchise may be conducted virtually.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

HFB ROOFCO FRANCHISING, LLC,
a North Carolina limited liability company

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

_____

a(n) _____

By: _____

Name: _____

Title: _____

Date: _____

MARYLAND ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

1. Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

2. You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

4. The general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Franchisee Acknowledgment / Compliance Certification:

The representations under this Franchise Acknowledgment/Compliance Certification are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement; or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Item 5, Additional Disclosures:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the multi-unit addendum is open.

MARYLAND ADDENDUM
TO FRANCHISE AGREEMENT AND MULTI-UNIT ADDENDUM

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, or Multi-Unit Addendum (if applicable) to the extent that the Franchise Agreement or Multi-Unit Addendum contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

b. Nothing in the Franchise Agreement prevents the franchisee from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

c. Nothing in the Franchise Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

d. The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee.

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement; or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the multi-unit addendum is open.

4. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

5. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	**FRANCHISEE:**
HFB ROOFCO FRANCHISING, LLC, a North Carolina limited liability company	_____ a(n) _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

MINNESOTA ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

State Cover Page and Item 17, Additional Disclosures:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota, requiring waiver of a jury trial or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document shall abrogate or reduce any of your rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.

Franchisor must also identify your territory and any other material terms not set forth in this franchisee disclosure document at least 7 calendar days before you sign a binding agreement with, or make any payment to, us or an affiliate of ours in connection with the proposed franchise sale.

Supplier Control. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices that the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.

Item 6, Additional Disclosure:

NSF checks are governed by Minn. Stat. 604.113, which puts a cap of $30 on service charges.

Item 13, Additional Disclosures:

The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes upon the trademark rights of the third party. The franchisor does not indemnify against the consequences of a franchisee's use of a franchisor's trademark except in accordance with the requirements of the franchise agreement, and as the condition to an indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender the defense of the claim to the franchisor. If the franchisor accepts tender of defense, the franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we protect your right to use the Roof Scientist Proprietary Mark or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Roof Scientist Proprietary Mark, if you were using it in the manner we authorized, and if we are timely notified of the claim and given the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

Item 17, Additional Disclosures:

Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota, or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota, to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.

We will comply with Minn. Stat. Sec. 80C.14, subds. 3, 4 and 5, which requires, except in certain specified cases, that a franchisee be given 90-days' notice of termination (with 60 days to cure), 180-days' notice for nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation or waiver as a condition of purchasing the franchise that would relieve any person from liability imposed by Minnesota Statute §§80C.01 – 80C.22.

Minnesota Rule 2860.4400(G) prohibits a franchisor form imposing on a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable.

The limitations of claims section must comply with Minn. Stat. Sec. 80C.17, subd. 5.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

Fee Deferral

Item 5 and Item 7 of the Franchise Disclosure Document and Section 3.1 of the Franchise Agreement are amended to state that payment of initial franchise fees shall be deferred until Franchisor has satisfied its pre-opening obligations to Franchisee and Franchisee's Franchised Business is open for business.

MINNESOTA ADDENDUM
TO FRANCHISE AGREEMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 4 which requires that except for certain specified cases, that franchisee be given 180-days' notice for non-renewal of this Franchise Agreement.

b. The Minnesota Department of Commerce requires that franchisor indemnify franchisees whose franchise is located in Minnesota against liability to third parties resulting from claims by third parties that the franchisee's use of franchisor's Proprietary Marks infringe upon the trademark rights of the third party. Franchisor does not indemnify against the consequences of a franchisee's use of franchisor's trademark, but franchisor shall indemnify franchisee for claims against franchisee solely as it relates to franchisee's use of the Marks in accordance with the requirements of the Franchise Agreement and franchisor's standards. As a further condition to indemnification, the franchisee must provide notice to franchisor of any such claim immediately and tender the defense of the claim to franchisor. If franchisor accepts tender of defense, franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

c. Franchisee will not be required to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

d. With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 3 which requires that except for certain specified cases, a franchisee be given 90-days' notice of termination (with 60 days to cure). Termination of the franchise by the franchisor shall be effective immediately upon receipt by franchisee of the notice of termination where its grounds for termination or cancellation are: (1) voluntary abandonment of the franchise relationship by the franchisee; (2) the conviction of the franchisee of an offense directly related to the business conducted according to the Franchise Agreement; or (3) failure of the franchisee to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logo type or other commercial symbol after the franchisee has received written notice to cure of at least 24 hours in advance thereof.

e. According to Minn. Stat. Sec. 80C.21 in Minnesota Rules or 2860.4400J, the terms of the Franchise Agreement shall not in any way abrogate or reduce your rights as provided for in Minn. Stat. 1984, Chapter 80C, including the right to submit certain matters to the jurisdiction of the courts of Minnesota. In addition, nothing in this Franchise Agreement shall abrogate or reduce any of franchisee's rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedy provided for by the laws of the State of Minnesota. In addition, Minnesota Rule 2860.4400(G) prohibits a franchisor from imposing on a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable.

f. Any claims franchisee may have against the franchisor that have arisen under the Minnesota Franchise Laws shall be governed by the Minnesota Franchise Law.

g. The Franchise Agreement contains a waiver of jury trial provision. This provision may not be enforceable under Minnesota law.

h. Franchisee consents to the franchisor seeking injunctive relief without the necessity of showing actual or threatened harm. A court shall determine if a bond or other security is required.

i. Any action pursuant to Minnesota Statutes, Section 80C.17, Subd. 5 must be commenced no more than 3 years after the cause of action accrues.

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement; or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

5. Fee Deferral. Item 5 and Item 7 of the Franchise Disclosure Document and Section 3.1 of the Franchise Agreement are amended to state that payment of initial franchise fees shall be deferred until Franchisor has satisfied its pre-opening obligations to Franchisee and Franchisee's Franchised Business is open for business.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

(***Signature Page Follows)***

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

HFB ROOFCO FRANCHISING, LLC,
a North Carolina limited liability company

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

_____

a(n) _____

By: _____

Name: _____

Title: _____

Date: _____

NEW YORK ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. The following information is added to the cover page of the Franchise Disclosure Document.:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, , or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of, a civil action alleging: violation of a franchise, antifraud, or securities law, fraud, embezzlement, fraudulent conversion, or misappropriation of property, or unfair or deceptive practices, , or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity

as a result of an action brought by a public agency or department including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for a franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

> However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Section 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d) , titled "Termination by franchisee":

> You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum," and Item 17(w), titled "Choice of law":

> The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, 10 business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NEW YORK ADDENDUM
TO FRANCHISE AGREEMENT

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.

b. Any provision in the Franchise Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695.

c. The New York Franchise Law shall govern any claim arising under that law.

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement; or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

(Signature Page Follows)

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

HFB ROOFCO FRANCHISING, LLC,
a North Carolina limited liability company

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

_____

a(n) _____

By: _____

Name: _____

Title: _____

Date: _____

NORTH CAROLINA ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT

This Addendum pertains to franchises/business opportunities sold in the State of North Carolina and will be for the purpose of complying with certain provisions of North Carolina Law:

Item 8. To the extent applicable, Item 8 of the disclosure document is amended to add the following:

If the seller (franchisor) fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller (franchisor) in writing and demand that the contract be cancelled.

NORTH CAROLINA ADDENDUM
TO FRANCHISE AGREEMENT

This Addendum relates to franchises sold in North Carolina and is intended to comply with North Carolina statutes and regulations. In consideration of the execution of the Franchise Agreement, we and you agree to amend the Franchise Agreement as follows:

1. Service of Process. The name and address of our agent in North Carolina authorized to receive service of process is:

Secretary of State of North Carolina
2 South Salisbury Street
Raleigh, North Carolina 27601

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	**FRANCHISEE:**
HFB ROOFCO FRANCHISING, LLC, a North Carolina limited liability company	_____ a(n) _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

NORTH DAKOTA ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the North Dakota Franchise Investment Law, N.D. Cent. Code, §§51-19-01 – 51-19-17 applies, the terms of this Addendum apply.

1. Item 17, Additional Disclosures. The following statements are added to Item 17:

Any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota may be unenforceable under North Dakota law. Any mediation or arbitration will be held at a site agreeable to all parties. If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control.

Any general release the franchisee is required to assent to as a condition of renewal is not intended to nor shall it act as a release, estoppel or waiver of any liability franchisor may have incurred under the North Dakota Franchise Investment Law.

Covenants not to compete during the term of and upon termination or expiration of the Franchise Agreement are enforceable only under certain conditions according to North Dakota law. If the Franchise Agreement contains a covenant not to compete that is inconsistent with North Dakota law, the covenant may be unenforceable.

The Franchise Agreement includes a waiver of exemplary and punitive damages. This waiver may not be enforceable under North Dakota law.

The Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by franchisor in enforcing the Franchise Agreement. For North Dakota franchisees, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees.

The Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. This waiver may not be enforceable under North Dakota law.

The Franchise Disclosure Document and Franchise Agreement state that franchisee must consent to the jurisdiction of courts outside that State of North Dakota. That requirement may not be enforceable under North Dakota law.

The Franchise Disclosure Document and Franchise Agreement may require franchisees to consent to termination. This requirement may not be enforceable under North Dakota law.

The Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. To the extent this requirement conflicts with North Dakota law, North Dakota law will apply.

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement; or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

NORTH DAKOTA ADDENDUM
TO FRANCHISE AGREEMENT

To the extent the North Dakota Franchise Investment Law, N.D. Cent. Code, §§51-19-01 – 51-19-17 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Any release executed in connection with a renewal shall not apply to any claims that may arise under the North Dakota Franchise Investment Law.

b. Covenants not to compete during the term of and upon termination or expiration of the Franchise Agreement are enforceable only under certain conditions according to North Dakota law. If the Franchise Agreement contains a covenant not to compete that is inconsistent with North Dakota law, the covenant may be unenforceable.

c. The choice of law other than the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control.

d. The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law.

e. The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law.

f. The requirement that arbitration be held outside the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. Any mediation or arbitration will be held at a site agreeable to all parties.

g. The requirement that a franchisee consent to termination has been determined by the Commissioner to be unfair, unjust and inequitable within the intent of the North Dakota Franchise Investment Law. This requirement may not be enforceable under North Dakota law.

h. The Franchise Agreement states that franchisee must consent to the jurisdiction of courts located outside the State of North Dakota. This requirement may not be enforceable under North Dakota law.

i. The Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. To the extent this requirement conflicts with North Dakota law, North Dakota law will apply.

j. The Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by the Franchisor in enforcing the Franchise Agreement. For North Dakota franchisees, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees.

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any

claims under any applicable state franchise law, including fraud in the inducement; or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

FRANCHISOR:	**FRANCHISEE:**
HFB ROOFCO FRANCHISING, LLC, a North Carolina limited liability company	_____ a(n) _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

RHODE ISLAND ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Rhode Island Franchise Investment Act, R.I. Gen. Law ch. 395 §§19-28.1-1 – 19-28.1-34 applies, the terms of this Addendum apply.

Item 17, Additional Disclosure:

The following statement is added to Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

RHODE ISLAND ADDENDUM
TO FRANCHISE AGREEMENT

To the extent the Rhode Island Franchise Investment Act, R.I. Gen. Law ch. 395 §§19-28.1-1 – 19-28.1-34 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

HFB ROOFCO FRANCHISING, LLC,
a North Carolina limited liability company

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

_____

a(n) _____

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

SOUTH CAROLINA ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT

This Addendum pertains to franchises/business opportunities sold in the State of South Carolina and will be for the purpose of complying with certain provisions of South Carolina Law:

Item 8 of the franchise disclosure document is amended to add the following:

If the seller (franchisor) fails to deliver the product, equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller (franchisor) in writing and demand that the contract be canceled.

SOUTH CAROLINA ADDENDUM
TO FRANCHISE AGREEMENT

This Addendum pertains to franchises/business opportunities sold in the State of South Carolina and will be for the purpose of complying with certain provisions of South Carolina Law:

1. Cogency Global Inc. is hereby authorized to receive service of process. Cogency Global Inc. is located at 2 Office Park Court, Suite 103, Columbia, SC 29223.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:

HFB ROOFCO FRANCHISING, LLC,
a North Carolina limited liability company

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE:

_____

a(n) _____

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

SOUTH DAKOTA ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT

This Addendum pertains to franchises sold in the State of South Dakota and will be for the purpose of complying with certain provisions of South Dakota Law:

1. Fee Deferral. Pursuant to Section 37-5B-5 of the South Dakota Codified Laws, Franchisor is required to defer its initial franchise fees until such time as the Franchisee has fulfilled all of its initial obligations under the Franchise Agreement and Franchisee is operational.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

SOUTH DAKOTA ADDENDUM
TO FRANCHISE AGREEMENT

This Addendum pertains to franchises sold in the State of South Dakota and will be for the purpose of complying with certain provisions of South Dakota Law:

1. Fee Deferral. Pursuant to Section 37-5B-5 of the South Dakota Codified Laws, Franchisor is required to defer its initial franchise fees until such time as the Franchisee has fulfilled all of its initial obligations under the Franchise Agreement and Franchisee is operational.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	**FRANCHISEE:**
HFB ROOFCO FRANCHISING, LLC, a North Carolina limited liability company	_____ a(n) _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

VIRGINIA ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et. seq.).

"According to Section 13.1 – 564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable."

Fee Deferral

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

VIRGINIA ADDENDUM
TO FRANCHISE AGREEMENT

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> "According to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable."

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement; or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Fee Deferral. The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

5. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

6. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

(Signature Page Follows)

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	**FRANCHISEE:**
A1 KITCHEN & BATH FRANCHISING, LLC, a North Carolina limited liability company	_____ a(n) _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

VIRGINIA ADDENDUM
TO MULTI-UNIT ADDENDUM

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

1. Fee Deferral. The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

7. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

8. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

(Signature Page Follows)

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	**FRANCHISEE:**
HFB ROOFCO FRANCHISING, LLC, a North Carolina limited liability company	_____ a(n) _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

WASHINGTON ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Fee Deferral

Item 5 and Item 7 of the Franchise Disclosure Document, Section 3.1 of the Franchise Agreement, and Section 2 of the Multi-Unit Addendum are hereby revised to state that payment of all initial fees, including the Initial Franchise Fee, shall be deferred until after all of Franchisor's initial obligations are complete and the Franchised Business is open for business. In addition, the Multi-Unit Fee shall be prorated and collected as each unit under the Multi-Unit Addendum is opened.

WASHINGTON ADDENDUM
TO FRANCHISE AGREEMENT, MULTI-UNIT ADDENDUM, AND RELATED AGREEMENTS

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

b. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

c. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

d. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

e. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

f. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

g. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

2. Section 2.2 of the Franchise Agreement is amended by adding the following: Any general release signed by a renewing franchisee does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

3. Section 3.17 is hereby amended by adding the following: The definition of "Business Judgment" in this section and references elsewhere in the Franchise Agreement do not modify the Franchisor's obligation to deal with Franchisee in good faith under RCW 19.100.180(1).

4. Section 13.2 of the Franchise Agreement is hereby amended by adding the following: Notwithstanding the foregoing, Franchisee does not have an obligation to indemnify or hold harmless an Indemnitee for losses to the extent caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

5. Section 14.3.2.3 of the Franchise Agreement is hereby amended by adding the following: Any release signed by a transferring franchisee does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

6. Section 22.8 of the Franchise Agreement is amended by adding the following at the end of that section: "Franchisees are only responsible for court costs and reasonable attorneys' fees incurred by the franchisor if the franchisor is the prevailing party in any action or arbitration proceeding."

7. ."

8. Section 22.9 of the Franchise Agreement is amended by adding the following to that section:

> "Provided, however, that any modifications to the Franchise Agreement that purport to change an investor protection included in Washington Franchise Investment Protection Act, RCW 19.100, the rules adopted thereunder, or required as part of the state registration process is specifically excepted from this provision."

9. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement; or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

10. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

11. Fee Deferral. Item 5 and Item 7 of the Franchise Disclosure Document, Section 3.1 of the Franchise Agreement and Section 2 of the Multi-Unit Addendum (if applicable) are hereby amended to state that all initial franchise fees described in Item 5 of the Franchise Disclosure Document will be deferred until franchisee has: (a) received all initial training that it is entitled to under the Franchise Agreement or Offering Circular; and (b) is open for business. If Franchisor is selecting a Multi-Unit Offering, the Multi-Unit Fee will be prorated and collected as each unit is opened.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned does hereby acknowledge receipt of this addendum and has executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	**FRANCHISEE:**
HFB ROOFCO FRANCHISING, LLC	_____
a North Carolina limited liability company	a(n) _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

WISCONSIN ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Wisconsin Franchise Investment Law, Wis. Stat. §§553.01 – 553.78 or Wisconsin Fair Dealership Law, Wis. Stat. §§135.01 – 135.07 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

For all franchisees residing in the State of Wisconsin, we will provide you at least 90-days' prior written notice of termination, cancellation or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation or substantial change in competitive circumstances and will provide that you have 60 days in which to cure any claimed deficiency. If this deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency.

For Wisconsin franchisees, Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract which is inconsistent with the Law.

WISCONSIN ADDENDUM
TO FRANCHISE AGREEMENT

To the extent the Wisconsin Franchise Investment Law, Wis. Stat. §§553.01 – 553.78 or Wisconsin Fair Dealership Law, Wis. Stat. §§135.01 – 135.07 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

To the extent any of the provisions regarding notice of termination or change in dealership are in conflict with Section 135.04 of the Wisconsin Fair Dealership Law, the Wisconsin law shall apply.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	**FRANCHISEE:**
HFB ROOFCO FRANCHISING, LLC, a North Carolina limited liability company	_____ a(n) _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT J
TO FDD
HFB ROOFCO FRANCHISING, LLC

FINANCIAL STATEMENTS

HFB ROOFCO FRANCHISING LLC

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

December 31, 2024

KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

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HFB ROOFCO FRANCHISING LLC

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KEZOS & DUNLAVY
Certified Public Accountants
& Business Advisors

Independent Auditor's Report

To the Member
HFB RoofCo Franchising LLC
Huntersville, North Carolina

Opinion

We have audited the accompanying balance sheet of HFB RoofCo Franchising LLC as of December 31, 2024, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HFB RoofCo Franchising LLC as of December 31, 2024 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

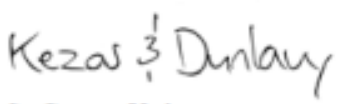
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.



St. George, Utah
April 3, 2025

HFB ROOFCO FRANCHISING LLC
BALANCE SHEET
As of December 31, 2024

	2024
Assets	
Current assets	
Cash and cash equivalents	$ 3,000
Receivable from related party	47,000
Receivable from member	200,000
Total current assets	250,000
Total assets	$ 250,000
Liabilities and Members' Equity	
Members' equity	$ 250,000
Total liabilities and members' equity	$ 250,000

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

HFB ROOFCO FRANCHISING LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

HFB RoofCo Franchising LLC (the "Company") was formed on March 26, 2024 as a North Carolina Limited Liability Company for the principle purpose of conducting franchise sales, marketing, and management under the brand name Roof Scientist.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission ("SEC"), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2024, the Company had cash and cash equivalents of $3,000.

(e) Income Taxes

The entity is structured as a limited liability company ("LLC") under the laws of the State of North Carolina. A limited liability company is classified as a partnership for federal and state income tax purposes and, accordingly, the income or loss of the Company will be included in the income tax returns of the members. Therefore, there is no provision for federal and state income taxes.

The Company follows the guidance under ASC 740, *Accounting for Uncertainty in Income Taxes*. ASC 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the members rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2024, no tax years were subject to examination.

(f) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same.

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(g) Concentration of Risk

The Company maintains its cash in bank deposit accounts which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(2) Related Party Transactions

During the period from inception to December 31, 2024, a member of the Company purchased 2.5% of the Company's member units for $250,000. Of this, $50,000 was collected during the year, and the remaining $200,000 was outstanding as of December 31, 2024. The Company collected the receivable in full during January 2025.

The Company disbursed funds to an affiliate through common ownership, which will provide administrative services in 2025. As of December 31, 2024, the amount due from the affiliate was $47,000.

(3) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC 450, *Contingencies*, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(4) Subsequent Events

Management has reviewed and evaluated subsequent events through April 3, 2025, the date on which the financial statements were available to be issued. Based on this evaluation, management has determined that there were no material subsequent events that required adjustment to or disclosure in the financial statements.

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EXHIBIT K

TO FDD
HFB ROOFCO FRANCHISING, LLC

OPERATIONS MANUAL TABLE OF CONTENTS

HFB ROOFCO FRANCHISING, LLC

OPERATIONS MANUAL TABLE OF CONTENTS

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Chapter 3: The Franchise Relationship	4
Chapter 4: Brand Operating Standards	16
Chapter 5: Staffing Best Practices	15
Chapter 6: Operations Best Practices	30
Chapter 7: Tech & Administrative Best Practices	6
Total Pages	**81**

EXHIBIT L

TO FDD
HFB ROOFCO FRANCHISING, LLC

LIST OF FRANCHISEES AND FRANCHISEES THAT HAVE LEFT THE SYSTEM IN THE PAST FISCAL YEAR

None.

HFB RoofCo Franchising, LLC
Current Franchisees as of December 31, 2024:

Territory	Name	Entity	Address	City	State	Terr. State	Zip Code	Phone	Email Address
	Robert Studdard	RJS LLC	454 Peace Valley Lane	Gassville	AR	AR/ MO	72635	870-706-1137	robertjoestuddard@gmail.com
	Curtis Lindstrom*	Roof Revolution, LLC	E9622 Woods Edge Drive	Wetmore	MI	WI	49895	906-202-0176	curtislindstrom@roofsaverswi.com
	Jason Demet*	Save My Roof, LLC	1660 S. Church Street, Suite 371	Watertown	WI	WI	53094	920-941-0654	jason@savemyroof.com

* Multi-Unit Operator/Developer

HFB RoofCo Franchising, LLC
Franchisees with Unopened Outlets as of December 31, 2024

Territory	Name	Entity	Address	City	State	Terr. State	Zip Code	Phone	Email Address

HFB RoofCo Franchising, LLC
Former Franchisees

The name and last known address of every Franchisee who had a Roof Scientist Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during our last fiscal year, or who has not communicated with us within ten weeks of December 24, 2024, are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

Territory	Name	Entity	Address	City	State	Terr. State	Zip Code	Phone	Email Address

None

Exhibit M
to FDD
HFB RoofCo Franchising, LLC

DILIGENCE REVIEW OF FRANCHISEE SALES PROCESS

DILIGENCE REVIEW OF FRANCHISEE SALES PROCESS

This document is not applicable to and shall not be used as to any franchise offer and/or sale involving any California resident and/or franchisee as the Franchise Acknowledgement violates California Corporations Code sections 31512 and 31512.1.

Do not sign this Questionnaire if you are a Washington resident, or the franchise is to be located in Washington.

Do not sign this Questionnaire if you are a Maryland resident, or the franchise is to be located in Maryland.

As you know, HFB RoofCo Franchising, LLC ("we" or "us"), and you are preparing to enter into a Franchise Agreement and Multi-Unit Addendum (as applicable) for the operation of a franchise (a "Franchised Business"). The purposes of this Questionnaire are to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement and Multi-Unit Addendum (as applicable) and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

Yes____ No ____ 1. Have you received and personally reviewed the Franchise Agreement and Multi-Unit Addendum (as applicable), as well as each exhibit or schedule attached to the agreements you intend to enter into with us?

Yes____ No ____ 2. Have you received and personally reviewed the Franchise Disclosure Document we provided?

Yes____ No ____ 3. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?

Yes____ No ____ 4. Do you understand all the information contained in the Franchise Disclosure Document, Franchise Agreement and Multi-Unit Addendum (as applicable) you intend to enter into with us?

Yes____ No ____ 5. Have you reviewed the Franchise Disclosure Document, Franchise Agreement and Multi-Unit Addendum (as applicable) with a lawyer, accountant or other professional advisor and discussed the benefits and risks of operating a Franchised Business with these professional advisor(s)?

Yes____ No ____ 6. Do you understand the success or failure of your Franchised Business will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?

Yes____ No ____ 7. Do you understand that you must devote your personal full-time attention and best efforts to the management and operation of your Franchised Business and will not own, maintain, engage in, be employed by or have any interest in any other business other than the Franchised Business?

Yes____ No ____ If you do not intend to devote your personal full-time attention and best efforts, did you receive permission from the franchisor to own, maintain, engage in, be employed by or have any interest in any other business?

Yes____ No ____ 8. Do you understand we have only granted you certain exclusive territorial rights under the Franchise Agreement and Multi-Unit Addendum (as applicable) and that we have reserved certain rights under the Franchise Agreement and/or Multi-Unit Addendum (as applicable)?

Yes____ No ____ 9. Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the providing of services under the Roof Scientist mark or other mark, at any location outside your Designated Territory, without regard to the proximity of these activities to the premises of your Franchised Business?

Yes____ No ____ 10. Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be mediated, at our option, in Mecklenburg County, North Carolina?

Yes____ No ____ 11. Do you understand the Franchise Agreement provides you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and you are not entitled to any punitive, consequential, or other special damages?

Yes____ No ____ 12. Do you understand the sole entity or person against whom you may bring a claim under the Franchise Agreement is HFB RoofCo Franchising, LLC?

Yes____ No ____ 13. Do you understand all persons whose names appear on the Franchise Agreement must successfully complete the appropriate initial training program(s) before we will allow the Franchised Business to open or consent to a transfer of that Franchised Business?

Yes____ No ____ 14. Do you understand that we require you to successfully complete certain initial training program(s) and if you do not successfully complete the applicable training program(s) to our satisfaction, we may terminate your Franchise Agreement?

Yes____ No ____ 15. Do you understand we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises?

Yes____ No ____ 16. Do you understand that we will send written notices, as required by your Franchise Agreement, to either your Franchised Business or home address until you designate a different address by sending written notice to us?

Yes____ No ____ 17. Do you understand that we will not approve your purchase of a franchise, or we may immediately terminate your Franchise Agreement and/or Multi-Unit

Addendum (as applicable), if we are prohibited from doing business with you under any anti-terrorism law enacted by the United States Government?

Yes____ No ____ 18. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Franchised Business that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes____ No ____ 19. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Franchised Business will generate, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes____ No ____ 20. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and/or Multi-Unit Addendum (as applicable) concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes____ No ____ 21. Is it true that no broker, employee, or other person providing services to you on our behalf has solicited or accepted any loan, gratuity, bribe, gift or any other payment in money, property or services from you in connection with a Franchised Business purchase with exception of those payments or loans provided in the Franchise Disclosure Document?

Yes____ No ____ 22. Did you receive the Franchise Disclosure Document at least 14 days before you completed and signed this Questionnaire?

Yes____ No ____ 23. Did you receive the Franchise Agreement at least 7 days before you completed and signed this Questionnaire?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

[Do not sign this Questionnaire if you are a California resident, or the franchise is to be located in California.]
[Do not sign this Questionnaire if you are a Maryland resident, or the franchise is to be located in Maryland.]
[Do not sign this Questionnaire if you are a Washington resident, or the franchise is to be located in Washington.]

_____	_____
Signature of Franchise Applicant	Signature of Franchise Applicant

Name (please print)	Name (please print)
Dated: _____, 20___	Dated: _____, 20____

Exhibit N

to FDD
HFB RoofCo Franchising, LLC

STATE EFFECTIVE DATES

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	January 22, 2025
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	April 30, 2025
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

Exhibit O
to FDD
HFB RoofCo Franchising, LLC

ITEM 23 RECEIPTS

RECEIPTS (OUR COPY)

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain English. Read this disclosure document and all agreements carefully.

If HFB RoofCo Franchising, LLC offers you a franchise, it must provide this disclosure document to you:

a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale, or

(b) Under New York law, if applicable, at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to us or an affiliate in connection with the proposed franchise sale, or

(c) Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise agreement or other agreement or the payment of any consideration, whichever occurs first, or

(d) Under Iowa law, if applicable, at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise agreement or other agreement or the payment of any consideration that relates to the franchise relationship.

If HFB RoofCo Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the state administrator identified in Exhibit A of this Franchise Disclosure Document. A list of franchisor's agents registered to receive service of process is listed as Exhibit A of this Franchise Disclosure Document.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:
Thomas Ryan, Jr., Homefront Brands, 107 Parr Drive, Huntersville, NC 28078; (980) 441-1121
Zack Dudan, Homefront Brands, 107 Parr Drive, Huntersville, NC 28078; (980) 441-1121
James Jobe, Homefront Brands, 107 Parr Drive, Huntersville, NC 28078; (980) 441-1121
Mike Aiello, Homefront Brands, 107 Parr Drive, Huntersville, NC 28078; (980) 441-1121
Chad Wright, Homefront Brands, 107 Parr Drive, Huntersville, NC 28078; (980) 441-1121
Michael Wagner, Homefront Brands, 107 Parr Drive, Huntersville, NC 28078; (980) 441-1121

Issuance Date: April 25, 2025

I received a disclosure document dated April 25, 2025, that included the following Exhibits:

Exhibit A	List of State Administrators and Agents for Service of Process
Exhibit B	Franchise Agreement
Exhibit C	Statement of Ownership
Exhibit D	Confidentiality and Restrictive Covenant
Exhibit E	Electronic Funds Withdrawal Authorization
Exhibit F	Multi-Unit Addendum
Exhibit G	Sample Assignment and Assumption Agreement
Exhibit H	Sample General Release
Exhibit I	State Specific Addenda
Exhibit J	Financial Statements
Exhibit K	Operations Manual Table of Contents
Exhibit L	List of Franchisees and Franchisees That Have Left the System in the Past Fiscal Year
Exhibit M	Diligence Review of Franchisee Sales Process
Exhibit N	State Effective Dates
Exhibit O	Receipts

If an Individual:

Signature: _____

Printed Name: _____

Telephone No.: _____

Date: _____

If a Business Entity:

Signature: _____

Printed Name: _____

Entity: _____

Title: _____

Date: _____

You should return one copy of the signed receipt either by: signing, dating, and mailing it to Zack Dudan at 107 Parr Drive, Huntersville, NC 28078; or emailing (as an attachment) to Zack Dudan at development@roofscientist.com. You may keep the second copy for your records.

RECEIPTS (YOUR COPY)

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If HFB RoofCo Franchising, LLC offers you a franchise, it must provide this disclosure document to you:

(a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale, or

(b) Under New York law, if applicable, at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to us or an affiliate in connection with the proposed franchise sale, or

(c) Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise agreement or other agreement or the payment of any consideration, whichever occurs first, or

(d) Under Iowa law, if applicable, at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise agreement or other agreement or the payment of any consideration that relates to the franchise relationship.

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If an Individual:

Signature: _____

Printed Name: _____

Telephone No.: _____

Date: _____

If a Business Entity:

Signature: _____

Printed Name: _____

Entity: _____

Title: _____

Date: _____