

# FRANCHISE DISCLOSURE DOCUMENT

WINDOW WORLD, INC.  
A North Carolina Corporation  
118 Shaver Street  
North Wilkesboro, North Carolina 28659  
(336) 667-2100  
franchising@windowworld.com  
www.WindowWorld.com



Window World franchisees are in the business of marketing, selling, and installing exterior remodeling products in residential and light commercial settings.

The total investment necessary to begin operation of a Window World franchise ranges from \$123,368 – \$331,168, which includes \$45,000 that must be paid to WINDOW WORLD, INC. or its affiliates. In some instances where a franchisee is granted a Territory at least one million owner-occupied homes, we may require that franchisee to operate one or more Satellites within the Territory. In those cases, we estimate that franchisees will spend an additional \$14,950 to \$138,500 per Satellite they are required to open after the Headquarters, which includes \$0 that must be paid to WINDOW WORLD, INC. or its affiliates. Both the Headquarters and any Satellites are operated under the same Franchise Agreement. We do not offer a separate multi-unit franchise offering.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact ZACH LUFFMAN at WINDOW WORLD, INC., 118 Shaver Street, N. Wilkesboro, NC 28659 (336) 667-2100.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "[A Consumer's Guide to Buying a Franchise](#)," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://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.

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## 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
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit B.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Window World business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Window World franchisee?</b>	Item 20 or Exhibit B lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## **What You Need To Know About Franchising *Generally***

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

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

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

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

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

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

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

### **Some States Require Registration**

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

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

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, 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. **Mandatory Minimum Payments.** You must make minimum royalty 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.
3. **Supplier Control.** You must purchase all or nearly all of the inventory and supplies necessary to operate your business from Franchisor, its affiliates, or from suppliers that Franchisor designates at prices that 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.
4. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for certain 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. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

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.



THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE  
MICHIGAN FRANCHISE INVESTMENT LAW

**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 shall 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 shall include 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 shall 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 shall include, 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 subfranchisor.

(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.

**THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.** Any questions regarding the notice should be delivered to the Department of the Attorney General, Department of Licensing and Regulatory Affairs, Corporations, Securities and Commercial Licensing Bureau, 2501 Woodlake Circle, Okemos, MI 48864, Telephone: (517) 241-6470.

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## **ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

To simplify the language, this disclosure document uses “we,” “us” or “WWI” to mean WINDOW WORLD, INC., the franchisor. “You” means the company that buys the franchise, and the company’s owners, members, shareholders, and guarantors. “Affiliate” refers to an entity’s subsidiary, an entity’s parent, or an entity controlled by, controlling, or under common control with another entity.

**Franchisor Information.** Our principal business address is 118 Shaver Street, North Wilkesboro, North Carolina 28659. We are a North Carolina corporation, incorporated on April 7, 1997. WINDOW WORLD, INC. was incorporated as WINDOW WORLD OF NORTH CAROLINA, INC. and changed its name in 1998 to WINDOW WORLD, INC.

Our agent for service of process in North Carolina is CORPORATION SERVICE COMPANY. This agent’s principal business address is 2626 Glenwood Avenue, Suite 550, Raleigh, North Carolina 27608. Our agent for service of process in certain other states is listed alphabetically by state in Exhibit E to this disclosure document. We conduct business under the name “WINDOW WORLD, INC.” and “Window World.” Our franchisees conduct business using the name “Window World” or “World of Windows.” We began offering franchises of the type offered here in 2011. Previously, from 1998 to 2010, we offered licenses that were similar to our current franchise program, and we treat those licensees as franchisees for all purposes.

From time to time we may temporarily operate a business of the type being franchised but we do not regularly operate them. We have not previously conducted, nor do we now conduct, business in any other line of business, nor have we offered franchises in any other line of business. As noted below, several of our subsidiaries provide products and services to franchisees or have operated Window World businesses.

**Parents, Affiliates, and Predecessors.** We do not have parent companies or predecessors in interest.

Each of the below affiliates shares our principal business address of 118 Shaver Street, North Wilkesboro, North Carolina 28659.

WINDOW WORLD INTERNATIONAL, LLC (“WW International”) owns and licenses to us all of the trademarks that you will use in the operation of your Franchised Business (“Marks”).

WINDOW WORLD TECHNOLOGIES LLC (“WW Technologies”) owns and licenses to you our proprietary customer relations management (“CRM”) software-as-a-service program for use in your business.

From time to time, WW MANAGEMENT SERVICES LLC (“WW Management”) provides management services to franchisees that enter into management agreements with it. Occasionally, WW Management has also temporarily operated businesses that were formerly owned by Window World franchisees.

TMS, LLC is an approved, optional vendor to franchisees of caulk, spray foam insulation, “freeze” spray, or window cleaner.

WINDOW WORLD CARES, INC. (“WW Cares”) is a 501(c)(3) non-profit organization. WW Cares engages in philanthropic activities for and donates money to St. Jude Children’s Research Hospital, another 501(c)(3) non-profit organization. From time to time, we and our affiliates and franchisees may participate in activities that support St. Jude Children’s Research Hospital and/or WW Cares.

Other than as set forth above, none of the above affiliates has offered franchises in this or any other line of business or operates businesses of the type being franchised.

**Your Window World Franchise – The Business You Will Conduct.** As a Window World franchisee, you operate a business that sells, markets, and installs exterior remodeling products in residential and light commercial settings. The major exterior remodeling products are windows, siding, and entry doors. You will be required to sell windows and entry doors. If our designated vendor of siding has determined that there is a product that is suitable for sales in your market, you must also sell siding. In addition, we may allow you to offer residential roofing products and services, provided you meet certain criteria. The Window World franchised businesses (“Franchised Businesses”) are characterized by a system that features unique methods for operations, sales, advertising, promotions, installation, and pricing, and other distinctive color schemes, software, and training; all of which we may improve, amend, and further develop from time to time.

The Franchised Business must always have operational headquarters (“Headquarters”) at an accepted site within a specific Territory. Your Headquarters must have at least 5,000 square feet, private office space, a product showroom, a door suitable for loading and unloading product, and warehouse space. Unless you receive our prior approval, the Headquarters must have a loading dock meeting our specifications. You may request, or we may require, you to operate the Franchised Business from one or more additional sites within the Territory that are open to the public (each a “Satellite”). Typically, Satellites do not have all of the functionality of the Headquarters. You will have the right to sell our approved products and services to residential and light commercial customers who have locations in your Territory. You may sell only at the Headquarters, Satellites, and at customer locations within the Territory. The Headquarters and Satellites are usually at leased spaces (freestanding or otherwise).

Each owner in the Franchised Business will be designated an “Operating Owner,” and have responsibility for day to day operations, or a “Non-Operating Owner,” and not be involved in day to day operations. With our prior approval, instead of having an Operating Owner you may appoint an “Operations Manager” who has no ownership in the Franchised Business but who is responsible for day to day operations.

We offer qualified prospects the opportunity to become Window World franchisees and operate Franchised Business by signing a Franchise Agreement (see Exhibit A) with us. All owners of 5%

or more in the Franchised Business and their spouses must also execute a Limited Personal Guaranty (see Attachment 3 to Exhibit A).

**Your General Market.** The general market for the products and services offered by the Franchised Business varies by geographic location but is often fragmented and established. The general market is residential and light commercial customers. Generally, we will license the use of our Marks in developed markets, the population and demographics of which support the sale of windows, siding, and doors. Factors affecting the suitability of a market may include population density, age of buildings, climate, age of population, value of homes, number of owner-occupied homes, and income levels.

**Laws and Regulations.** Federal, state and local jurisdictions have enacted laws, rules, regulations, and ordinances that may apply to the operation of your business, including those that (a) establish general standards, specifications, and requirements for the construction, design, and maintenance of the business premises; (b) regulate matters affecting the health, safety, and welfare of your customers, such as general health and sanitation requirements and restrictions on smoking; availability of and requirements for public accommodations, including restrooms; (c) set standards pertaining to employee health and safety; (d) set standards and requirements for fire safety and general emergency preparedness; (e) regulate the proper use, storage, and disposal of waste, and other hazardous materials; (f) govern labor and employment practices; (g) set standards for energy efficiency and other specifications for the products you sell such as low emissivity (“Low-E”) glass coatings and Design Pressure (“DP”) ratings; (h) require or regulate licensing, such as contractor’s or building permits; (i) regulate the application of the Affordable Care Act; (j) restrict the use of non-competition agreements, (k) govern data privacy and data security practices; and (l) require compliance with the Americans with Disabilities Act (“ADA”) and the Telephone Consumer Protection Act (“TCPA”). You must also comply with federal regulations, including but not limited to the Environmental Protection Agency’s regulations related to Lead-Based Paint Disclosure. You will be required to obtain whatever licenses may be necessary in your geographic area to sell and install windows, doors, siding, roofing, and related products in customers’ homes, which may include a contractor’s license.

You should investigate whether there are regulations and requirements that may apply to the geographic area in which you are interested in locating your Franchised Business and should consider both the effect and cost of compliance.

**Your Competition.** Competition for the Franchised Businesses include other home improvement and/or window, siding, or entry doorway installation companies, such as Champion, Pella, Lowes, Home Depot, Window Depot, and Andersen. If you provide roofing products and services, your competition will also include residential roofing installers and retailers.

## **ITEM 2: BUSINESS EXPERIENCE**

**Chief Executive Officer, Chairman of the Board of Directors: TAMMY WHITWORTH**

In March 2010 TAMMY WHITWORTH became the Chief Executive Officer and in 2011 Chairman of the Board of Directors of WWI. Additionally, since its inception in 2008 to the

present, Tammy has served as President of Window World Cares, Inc., a non-profit corporation associated with Window World, Inc.

**Director: JAMIE MCBRIDE**

JAMIE MCBRIDE was appointed to the Board of Directors in 2011. From February 2015 to present, Jamie has been a Managing Partner of Cornerstone Wealth Partners in Winston-Salem, North Carolina.

**Director: DAVE REED**

DAVE REED was appointed to the Board of Directors in 2011. He has an ownership interest in Window World of Tidewater, Virginia since 1999, located in Virginia Beach, Virginia. Dave is also a part owner in Window World of the Capital District in Albany, New York and Window World of Colorado Springs in Colorado Springs, Colorado.

**Director: JAY VANNOY**

JAY VANNOY was appointed to the Board of Directors in 2011. Jay has been a partner at the law firm, Vannoy, Bentley & York PLLC in Wilkesboro, North Carolina since April 2024. From 1997 to 2024, he was a partner at Vannoy, Colvard, Triplett & Vannoy, P.L.L.C., in North Wilkesboro, North Carolina.

**Chief Legal Officer, Director: BETH H. VANNOY**

BETH VANNOY has served as our Chief Legal Officer since October 2015 and was elected to our Board of Directors in October 2015. Since March, 2019, she has also been the owner and operator of the Fruit of the Vine boutique headquartered in North Wilkesboro, North Carolina.

**President and Chief Operating Officer: STEVE KAMODY**

STEVE KAMODY has, since October 2015, been our President. Since December 2023 he has been our Chief Operating Officer.

**Senior Vice President of Information Technology and Digital Operations: KYLE “DUFFY” SWEENEY**

DUFFY SWEENEY joined WWI in September 2018 as Senior Vice President of Information Technology and Digital Operations. Since June 1996, Mr. Sweeney has also owned his own consulting company, Vector Software, Inc., located in Columbus, Ohio. Additionally, since October 2013, he has been and is the Co-Founder of Retail App Partners located in Columbus, Ohio.

**Vice President of Finance: TOMMY B. PAYNE JR.**

TOMMY B. PAYNE JR. has been our Vice President of Finance since December 15, 2020. He was our controller from April 2019 to December 2020. Previously, from January 2019 to April 2019 he worked as a Certified Public Accountant with Brenda R. Lineberry, CPA, PC. in Mount Airy, North Carolina. From December 2006 to January 2019, he worked as President and Chief Financial Officer of Burton Signworks, Inc. in Mount Airy, North Carolina and served as a consultant there from September 2018 to January 2019.

**Vice President of Franchise Relations & Engagement: MARK BUMGARNER**

Since October 2015, MARK BUMGARNER has been our Vice President of Franchise Relations & Engagement.

**Vice President of Marketing: SCOTT CURKIN**

Since November 2024, SCOTT CURKIN has served as our Vice President of Marketing. From January 2023 to November 2024, he served as Chief Relationship Officer for Fish 919, based in Fort Lauderdale, Florida. From April 2019 to January 2023, he served as Executive Vice President of 919 Marketing Co., based in Raleigh, North Carolina.

**Vice President of National Products: STEVE NEWTON**

Since October 2017, STEVE NEWTON has served as our Vice President of National Products.

**Vice President of Business Development: CHAD KLEIS**

CHAD KLEIS has been our Vice President of Business Development since December 2023. From December 2019 to December 2023, he served as Vice President of Sales. From December 2016 to December 2019, he served as Director of Sales.

**Vice President, Corporate Counsel: CHARLES F. “FRED” BAUER**

FRED BAUER is our Vice President, Corporate Counsel and has been since December 2022. From November 2015 to December 2022, he served as Corporate Counsel.

**Vice President of Sales: MICHAEL LANE, II**

MICHAEL LANE, II is our Vice President of Sales and has been since January 2025. From January 2024 to December 2024 he served as our Director of Sales. From August 2021 to December 2023, he served as Director of Strategic Projects. From October 2017 to August 2021, he served as a Regional Manager. Since March 2024, he has been the owner of Michael Lane II Consulting, LLC, based in Tampa, Florida.

**Director of Franchising: ZACH LUFFMAN**

ZACH LUFFMAN has been our Director of Franchising since January 2018.

**Director of Franchise Advancement: DAVID MASTIN**

DAVID MASTIN is our Director of Franchise Advancement and has been since September 2015.

**National Sales Trainer & Empowerment Strategist: BOB HINER**

BOB HINER is our National Sales Trainer & Empowerment Strategist and has been since April 2023. From July 2022 to March 2023, he served as president for Carolina Shower and Bath in Greenville, South Carolina. From June 2019 to July 2022, he served as a regional manager for SouthEnd Exteriors in Charlotte, North Carolina. From April 2017 to June 2019, he served as Vice President for SouthEnd Home Improvements in Charlotte, North Carolina.

**Corporate Secretary: BONNIE BENTLEY CAUDILL**

BONNIE BENTLEY CAUDILL has been our Corporate Secretary since October 2015.



Except as otherwise stated above, the location of each of the positions described above was 118 Shaver Street, North Wilkesboro, North Carolina 28659.

### ITEM 3: LITIGATION

#### **Pending Matters**

Window World of St. Louis, Inc.; Window World of Kansas City, Inc.; Window World of Springfield/Peoria, Inc.; James T. Lomax III; and Jonathan Gillette, et al. v. Window World, Inc., Window World International, LLC, and Tammy Whitworth, (15-CVS-2), North Carolina Business Court (2015). On January 2, 2015, some of our franchisees filed a lawsuit against us and Window World International, LLC in Wilkes County (NC) Superior Court alleging that we repudiated a purported settlement agreement and seeking to have a declaratory judgment entered regarding the existence of the purported settlement agreement, issuance of an injunction to force us to sign the settlement agreement and requiring us to enter into a new franchise agreement with plaintiffs (“Settlement Claims”). In the alternative, the plaintiffs seek damages from us for: our alleged failure to provide them with a copy of a Franchise Disclosure Document, alleged fraudulent conveyance of our intellectual property (including our Marks) to Window World International, LLC, alleged breach of contract, alleged antitrust violations, alleged breach of the covenant of good faith and fair dealing, alleged fraud, alleged negligent misrepresentation, alleged violations of the North Carolina Unfair and Deceptive Trade Practices Act, and alleged unjust enrichment. This lawsuit has been designated as a Mandatory Complex Business Case and has been assigned to the North Carolina Business Court. After the Court ordered the plaintiffs to join another franchisee, James Roland, in the Settlement Claims, and plaintiffs failed to so do, the Court dismissed without prejudice the plaintiffs’ Settlement Claims in the action. In 2016, the Court dismissed with prejudice plaintiffs’ antitrust-related claims. On January 11, 2017, the plaintiffs filed a Third Amended Complaint wherein they added Tammy Whitworth as a defendant. We dispute the allegations in plaintiffs’ Third Amended Complaint and continue to vigorously defend ourselves in the litigation.

Window World of Baton Rouge, LLC; Window World of Dallas, LLC; Window World of Tri State Area, LLC; and James A. Roland v. Window World, Inc., Window World International, LLC, and Tammy Whitworth, (15-CVS-1), North Carolina Business Court (2015). On January 2, 2015, Window World of Baton Rouge, LLC, Window World of Dallas, LLC, Window World of Tri State Area, LLC, and James A. Roland (our franchisees), filed a lawsuit against us and Window World International, LLC in Wilkes County (NC) Superior Court for an alleged failure to provide plaintiffs with a copy of a Franchise Disclosure Document, alleged breach of contract, alleged antitrust violations, alleged breach of the covenant of good faith and fair dealing, alleged fraud in the inducement, alleged fraud, alleged negligent misrepresentation, alleged violations of the North Carolina Unfair and Deceptive Trade Practices Act, alleged fraudulent conveyance of trademarks to Window World International, LLC, and alleged unjust enrichment. The Complaint states that it seeks relief in the alternative to the relief the same plaintiffs sought in another previously filed lawsuit in Louisiana. This lawsuit has been designated as a Mandatory Complex Business Case and has been assigned to the North Carolina Business Court. In 2016, the Court dismissed with prejudice plaintiffs’ antitrust-related claims. On January 11, 2017, the plaintiffs filed a Third Amended Complaint wherein they added Tammy Whitworth as a defendant. We dispute the

allegations in plaintiffs' Third Amended Complaint and continue to vigorously defend ourselves in the litigation.

Window World of North Atlanta, Inc.; Michael Edwards and Melissa Edwards v. Window World, Inc., Window World International, LLC, and Andrew Saville (18 CVS 70), North Carolina Business Court (2018). On January 22, 2018, the plaintiffs, who are existing Window World franchisees, filed a complaint against us in Wilkes County (NC) Superior Court alleging breach of contract, unjust enrichment, and violation of the North Carolina Unfair and Deceptive Trade Practices Act regarding Window World's approval of Mr. Saville as a franchisee for a franchised territory plaintiffs contend they own. Additionally, plaintiffs have sought a declaratory judgment asking the court to declare their ownership of the disputed territory. This lawsuit has been designated as a Mandatory Complex Business Case and has been assigned to the North Carolina Business Court. We filed our answer on March 26, 2018. We contend this lawsuit is without merit and intend to vigorously defend ourselves. By order dated December 7, 2021, the North Carolina Business Court ordered that this action is stayed pending the final adjudication of all claims asserted in Window World of St. Louis, Inc., et al. v. Window World, Inc., et al., (15-CVS-2), North Carolina Business Court (2015) and Window World of Baton Rouge, LLC, et al. v. Window World, Inc., et al., (15-CVS-1), North Carolina Business Court (2015).

Window World International, LLC and Window World, Inc. v. Jill O'Toole, James T. Lomax III, Window World of St. Louis, Inc., and Window World of Springfield/Peoria, Inc. (Case No. 19-CV-02363), United States District Court for the Eastern District of Missouri (2019). On October 23, 2019, we, along with Window World International, LLC, filed a complaint against defendants, existing franchisees of Window World and one of their employees, Jill O'Toole, alleging claims for trademark infringement and dilution of our federally registered trademarks and common law marks, and a related claim for unfair competition related to the misappropriation of our trademarks. By order dated November 30, 2020, the court dismissed the false advertising and trademark dilution claims but denied the defendants' motion to dismiss the trademark infringement claim. By that same order, the court dismissed O'Toole as a defendant and stayed the litigation pending determination of the scope of the defendant's license to use our trademarks in Window World of St. Louis, Inc., et al. v. Window World, Inc., et al. (discussed above). On December 30, 2020, we, along with Window World International, LLC, gave notice of our appeal to the United States Court of Appeals for the Eighth Circuit of the order staying litigation. By order dated January 7, 2022, the Eighth Circuit dismissed the appeal for lack of jurisdiction. As a result, this action is stayed pending the final adjudication of all claims asserted in Window World of St. Louis, Inc., et al. v. Window World, Inc., et al., (15-CVS-2), North Carolina Business Court (2015) and Window World of Baton Rouge, LLC, et al. v. Window World, Inc., et al., (15-CVS-1), North Carolina Business Court (2015).

Window World, Inc., Window World International, LLC and Tammy E. Whitworth v. Scott A. Williamson, Brian C. Hopkins, Window World of Rockford, Inc. d/b/a Window World of Rockford, Window World of Joliet, Inc. d/b/a Window World of Joliet, and Window World of Bloomington, Inc. (20 CVS 21) North Carolina Business Court (2020). On January 9, 2020, we, along with Window World International, LLC and Tammy E. Whitworth, filed a complaint against certain current and past Window World franchisees in Wilkes County (NC) Superior Court seeking a declaratory judgment regarding the scope of an Agreement and Conditional Consent to Transfer

(“Agreement”) executed between us and Mr. Williamson. Additionally, plaintiffs allege claims for breach of the same Agreement based upon defendants’ pursuit of litigation against plaintiffs in violation of the Agreement, and other related conduct in violation of the Agreement, and seek injunctive relief against defendants to prevent further breach of the Agreement at issue. This lawsuit has been designated as a Mandatory Complex Business Case and has been assigned to the North Carolina Business Court. By Consent Order, this lawsuit has been consolidated with *Window World of St. Louis, Inc., et al. v. Window World, Inc., et al.* (discussed above), and all claims at issue in this action will be pursued in that action.

### **Concluded Matters**

*In Re Window World, Inc.* Under the California Franchise Investment Law, franchisors are required to register their franchise offering with the California Corporations Commission. Prior to October 2011 we failed to do so and sold multiple unregistered franchises in California. Once we realized we did not do so, we contacted the California Corporations Commission and, at the Commissioner’s request, on November 29, 2011, we entered into a Stipulation to Desist and Refrain Order whereby we agreed to refrain from offering unregistered franchises in California. Further, we voluntarily offered rescission to each unregistered California franchisee. All of the franchisees elected to remain affiliated with WINDOW WORLD, INC. and we did not pay any fines or damages. We did not admit any liability as part of the settlement.

*State of Illinois v. Window World, Inc., (2011 CH 1524, filed November 23, 2011, Sangamon County Circuit Court).* The Illinois Attorney General filed a complaint alleging our Illinois license agreements constituted franchises under Illinois law and, as such, our license agreement was not properly registered with the Illinois Attorney General. We disputed the basis of the claims. However, on November 29, 2011 we agreed to the terms of a consent order whereby we agreed prospectively to register our offering as a franchise under Illinois law, maintain a franchise disclosure document, and pay a \$15,000 fine. Further, we voluntarily offered rescission to each unregistered Illinois franchisee. We did not admit any liability as part of the settlement.

*In Re Window World, Inc. (Order Num. S-11-0805-CO01).* Under the Washington Franchise Investment Protection Act (“Washington Act”), franchisors are required to register their franchise offering with the Washington Department of Financial Institutions Securities Division (“Securities Division”). Prior to October 2011 we failed to do so and sold three unregistered franchises in Washington without providing a copy of the applicable disclosure document. At the Securities Division’s request, on January 9, 2012, we entered into a Consent Order whereby we agreed to only offer franchises in Washington in accordance with the Washington Act and provide disclosure documents to each future Washington franchisee. We did not pay any fines or damages, but did pay \$1,800 to cover the Securities Division’s expenses. We did not admit any liability as part of the settlement. Further, we voluntarily offered rescission to each unregistered Washington franchisee.

*In the Matter of Window World, LLC, Administrative Proceeding Before the Securities Commissioner of Maryland, Case No. 2011-0399.* As a result of an inquiry into the franchise related activities of WINDOW WORLD, LLC, the Maryland Securities Commissioner (“Commissioner”) concluded that grounds existed to allege that we violated the registration and disclosure provisions of the

Maryland Franchise Law in relation to the offers and sales of Window World franchises in Maryland. In responding to inquiries from the Maryland Securities Division, we disclosed that we sold franchises in Maryland during the time we were not registered to offer and sell franchises in Maryland. On February 2, 2012, the Commissioner and Window World agreed to enter into a consent order whereby we, without admitting or denying any violations of the law, agreed to: immediately and permanently cease from the offer and sale of franchises in violation of the Maryland Franchise Law; register our franchise offering in Maryland; and, offer rescission to the franchisees who were sold franchises in Maryland while we were not registered with the State.

Commonwealth of Virginia ex. rel. State Corporation Commission v. Window World, Inc., (Case Num. SEC-2012-00007). Based on an investigation by the Division of Securities and Retail Franchising, it was alleged that WWI violated § 13.1-560 and § 13.1-564 of the Virginia Retail Franchising Act. WWI, prior to the entry of the Order, voluntarily offered rescission to each of the Virginia Franchisees. WWI neither admitted nor denied the allegations, and as part of the Settlement Order entered March 14, 2012. WWI agreed to pay \$6,000 in penalties, \$2,000 in costs of investigation and provide each Virginia franchisee with copy of the Settlement Order within thirty days of the entry of the Order.

In the Matter of Window World, Inc. (File Num. F-12-0033). Under Oregon Revised Statutes 650.005 *et seq.*, (“Oregon Revised Statute”), franchisors are required to register their franchise offering with the Director of the Oregon Department of Consumer and Business Services (“the Director”). Prior to October 2011, we failed to do so and sold several unregistered franchises in Oregon without providing a copy of the applicable disclosure document. We explained to the Department the fact we voluntarily offered rescission to each Oregon licensee and they all declined rescission. At the Director’s request, on May 9, 2012, we entered into a Consent Order whereby we agreed to only offer franchises in Oregon in accordance with the Oregon Revised Statute and paid a civil penalty of \$9,000. We did not admit any liability as part of the settlement.

In the Matter of Window World, Inc., (File Num. S-221138 (FX)). Under § 553.55 Wis. Stats. (“Wisconsin Statute”), franchisors are required to register their franchise offering with the Bureau of Enforcement of the Division of Securities, Department of Financial Institutions (“Department”). Prior to October 2011 we failed to do so and sold several unregistered franchises in Wisconsin without providing a copy of the applicable disclosure document. We explained to the Department the fact we voluntarily offered rescission to each Wisconsin licensee and they all declined rescission. At the Commissioner’s request, on May 17, 2012, we entered into a Consent Order whereby we agreed to only offer franchises in Wisconsin in accordance with the Wisconsin Statute. We did not admit any liability as part of the settlement.

In the Matter of Window World, Inc., (Cause No. 13-0170CA). Under the Indiana Franchise Act (“Indiana Act”) franchisors are required to register their franchise offering with the Indiana Secretary of State Securities Division (“Securities Division”). Prior to October 2011 we failed to do so and sold several unregistered franchises in Indiana without providing a copy of the applicable disclosure document. We explained to the Securities Division the fact we voluntarily offered rescission to each Indiana licensee and they all declined rescission. At the Security Division’s request, on August 13, 2013, we entered into a Consent Order whereby we agreed to only offer

franchises in Indiana in accordance with the Indiana Act and pay a civil penalty of \$8,000 and investigation cost of \$1,000. We did not admit any liability as part of the settlement.

Window World of Raleigh, Inc. Arbitration (American Arbitration Association Case No. 01-15-0004-6473): On March 10, 2015, WINDOW WORLD OF RALEIGH, INC. (“WW-Raleigh”) served upon WINDOW WORLD, INC. an arbitration demand alleging breach of contract, breach of covenant of good faith and fair dealing, a declaratory judgment regarding the scope of WW-Raleigh’s territory, and declaratory judgment regarding the transfer provisions of the Agreement. On February 29, 2016, the parties entered into a settlement agreement whereby our affiliate purchased the franchisee licensed business for \$2,350,000 and a non-compete payout of \$350,000. On March 1, 2016, the arbitration proceeding was dismissed with prejudice.

Marie Wyatt Whitworth v. Estate of Wesley Todd Whitworth, Tammy Whitworth, individually and as the Executor of the Estate of Wesley Todd Whitworth, and Window World, Inc. (10 CVS 831 Wilkes County, North Carolina). The Plaintiff, one of our former shareholders, filed this case on June 22, 2010 in North Carolina Superior Court and alleged breach of fiduciary duty, constructive fraud, fraud, breach of contract, violations of North Carolina Civil RICO Act, and other claims involving the redemption of the plaintiff’s stock. The trial court dismissed the lawsuit with prejudice. The Court of Appeals upheld the dismissal in part and reversed in part. The North Carolina Supreme Court concurred with the Court of Appeals dismissing all claims against WINDOW WORLD, INC. other than the North Carolina Civil RICO Act claim, but reinstating all claims against the other defendants, which claims were remanded to the trial court. In December 2016, to resolve the dispute and the lawsuit discussed immediately below, we settled the case by affirming the redemption payments allegedly owed to Mrs. Whitworth and agreed to pay an additional \$18,249,937.23 to resolve the dispute.

Marie Wyatt Whitworth v. Window World International, LLC, Tammy Eller Whitworth, ind., as Executrix of the Estate of Wesley Todd Whitworth, and as Trustee of a Trust to be Identified, Window World, Inc., The Estate of Wesley Todd Whitworth, Anna Grace Whitworth, Wyatt Thomas Whitworth, William Tucker Whitworth and John Does 1-50 (14 CVS 1161). The Plaintiff, one of our former shareholders, filed this case on September 26, 2014 in North Carolina Superior Court and alleged the transfer of certain trademarks to WINDOW WORLD INTERNATIONAL, LLC was for less than full and adequate consideration resulting in a fraudulent transfer and a breach of fiduciary duty purported owed to Plaintiff. The Plaintiff seeks to reverse the transfer and return ownership of the marks to WINDOW WORLD, INC. and appoint a receiver to manage the intellectual property assets of Defendants. On March 6, 2015, we filed an answer to the complaint. In December 2016, to resolve the dispute and the lawsuit discussed immediately above, we settled the case by affirming the redemption payments allegedly owed to Mrs. Whitworth and agreed to pay an additional \$18,249,937.23 to resolve the dispute.

Oscar Castro v. Window World, Inc., et al. (BC575391, California Superior Court Los Angeles County—Central District). On March 11, 2015, OSCAR CASTRO filed a lawsuit against us alleging employment law violations by our former affiliate, WINDOW WORLD OF CALIFORNIA, LLC, and us claiming we were his joint employer. He also asserted these claims constituted unfair competition under California law. On April 17, 2015, we filed an answer to the complaint generally denying the allegations as lacking merit and alleged applicable affirmative

defenses in this case. On October 12, 2016, we and our former affiliate, WINDOW WORLD OF CALIFORNIA, LLC, entered into a confidential settlement agreement in which the plaintiff agreed to dismiss his claims with prejudice in exchange for WINDOW WORLD OF CALIFORNIA, LLC agreeing to pay the plaintiff \$33,376.11 and his attorneys' fees of \$30,623.89. Neither we, nor our former affiliate, admitted any liability in the settlement.

Mike Bendfeldt, et al. v. Window World, Inc. and Associated Materials, LLC, Case No.: 8:15-CV-00377 (United States District Court for the District of Nebraska); Mike Bendfeldt, et al. v. Window World, Inc. and Associated Materials, LLC, Case No.: 5:17-CV-00039 (United States District Court for the Western District of North Carolina). In October 2015, Mike and Betty Muhr-Bendfeldt, former Window World franchisees, filed a lawsuit against Window World, Inc. and Associated Materials, LLC in the United States District Court for the District of Nebraska asserting alleged violations of the Robinson-Patman Act, violations of the Sherman Act, RICO violations, fraud, and breach of contract related to their dealings with Window World, Inc. and Associated Materials, LLC in their capacity as former licensees. At our request, in January 2017 the Nebraska federal court transferred the case to the United States District Court for the Western District of North Carolina. By order dated September 25, 2017, the North Carolina federal court dismissed plaintiffs' Robinson-Patman Act claim (which dismissed Associated Materials, LLC from the action), the Sherman Act claim, and the RICO claims. Plaintiffs subsequently filed a Second Amended Complaint, which, among other things, removed Betty Muhr-Bendfeldt as a plaintiff. We filed a motion for summary judgment, and on March 26, 2020, the North Carolina federal court entered summary judgment in our favor dismissing all claims in the case. On April 23, 2020, the plaintiffs gave notice of their appeal to the United States Court of Appeals for the Fourth Circuit. On May 25, 2023, the United States Court of Appeals for the Fourth Circuit issued a *per curiam* opinion affirming the North Carolina federal court's dismissal of plaintiffs' claims. Plaintiffs did not seek further review of the Fourth Circuit's opinion. All pending claims remain dismissed. This matter concluded in Window World's favor and the case is closed.

Other than these actions, no litigation is required to be disclosed in this Item.

#### **ITEM 4: BANKRUPTCY**

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

#### **ITEM 5: INITIAL FEES**

The initial franchise fee for a single Franchised Business is \$45,000. The initial franchise fee covers the initial grant of a license to operate the Franchised Business and other costs associated with our pre-opening obligations to you, such as the initial training we provide to you, access to our Manuals, our assistance in helping you to open your business, and a start-up package consisting of the following: one computer equipped with Microsoft Windows and QuickBooks, a tablet, a one-year year subscription to security and backup software, showroom displays, demonstrator samples, start-up print materials, an initial \$5,000 sign allowance, a \$1,000 siding display allowance, a \$500 apparel allowance, and the first twelve months of the basic Technology Fees (defined below). The initial franchise fee is non-refundable and due in lump sum upon signing of the Franchise Agreement.

We participate in the International Franchise Association's VetFran Program, which generally provides discounts on initial franchise fees to veterans of the U.S. Armed Forces who otherwise meet the program's requirements. Purchasers of a Window World franchise who are veterans of the U.S. Armed Forces are eligible to receive a reduced initial franchise fee of \$30,000 (representing a \$15,000 discount off our standard \$45,000 initial franchise fee). To qualify for the discount, the veteran must own at least a 50% interest in the franchise. "Veteran" means a recipient of an honorable discharge as evidenced by the U.S. Department of Defense. It is the veteran's responsibility to send us the required documents to obtain the VetFran discount.

During our last fiscal year, the fees in this Item 5 were uniformly applied.

## **ITEM 6: OTHER FEES**

### **OTHER FEES**

<b>TYPE OF FEE <sup>1</sup></b>	<b>AMOUNT</b>	<b>DUE DATE</b>	<b>REMARKS</b>
Royalties <sup>2</sup>	Currently ranges between \$.10 and \$75 per option or unit or up to 12% of the cost of the product that franchisee buys from the vendor	When invoiced by vendor	Currently collected from vendor as part of the product cost. The Royalty is not based upon franchisee gross sales. We have the right to change or increase the amount of royalties or, in the case of new items, establish royalties.
Local or Regional Cooperative Fees	Currently not collected; No cooperative currently established	When designated by cooperative	In the event a local or regional cooperative is established for your area, you must participate and you must pay the cooperative payments the cooperative imposes. Cooperative payments are determined by majority vote of the cooperative members, but in no event will you be required to contribute more than 3% of your gross sales to the cooperative. Any amount you contribute to an advertising cooperative will count toward the 7% of gross sales you are required to spend on local advertising. All company-owned, affiliate-owned, and franchisee-owned businesses will have one vote each in any such cooperative of which they are a member.

<b>TYPE OF FEE <sup>1</sup></b>	<b>AMOUNT</b>	<b>DUE DATE</b>	<b>REMARKS</b>
Minimum Local Advertising Amount	7% of your prior calendar year's annual gross sales	As incurred; measured on an annual basis	You are required to spend at least 7% of your prior calendar year's annual gross sales on local advertising. We may encourage you to spend more than 7% of gross sales per year depending on your Territory, particularly if you are in a larger or more competitive market. Amounts you contribute to a cooperative count towards this minimum amount. We have the right and sole discretion to waive, defer, reduce, or permit variations from the Minimum Local Advertising Amount to any franchisee based on performance, longevity, peculiarities of a particular territory or any other circumstances.
Sale, Transfer or Assignment approved by us	The then-current transfer fee, up to a maximum of the then-current initial franchise fee  Currently, \$11,250	Upon execution of transfer agreement	Should an existing franchisee obtain approval from us to sell, transfer or assign its license, the franchisee must pay to us the then-current transfer fee upon execution of the transfer agreement.
Seller Transfer Obligation Deposit	Greater of \$10,000 or 1% of the purchase price	Upon execution of transfer agreement	Should an existing franchisee sell the assets of its business, the seller must pay to us this transfer obligation deposit upon execution of the transfer agreement. This fee will be refunded to the seller once all of seller's closing obligations in the transfer agreement are completed and seller has provided evidence and certification of the same to us. If seller does not comply with these requirements, we may retain the deposit.



<b>TYPE OF FEE <sup>1</sup></b>	<b>AMOUNT</b>	<b>DUE DATE</b>	<b>REMARKS</b>
Approval of Alternate Vendor, Product, or Service	Cost	On demand	When you request our prior written consent to use an alternate vendor, product, or service, you will pay all costs incurred by us to obtain the necessary information and evaluate the alternate vendor, product, or service.
Technology Fee <sup>3</sup>	<p>Currently, the base fee is \$499 per month. There is a \$600 start-up fee as well if you are not a new franchisee.</p> <p>If you elect the optional web design, develop and management services, you will pay an additional amount, which is currently \$176 per month.</p> <p>Currently, we offer Premium Services for an additional \$299 per month.</p> <p>Each year the Technology Fee may increase by the amount that is the greater of (i) 2% or (ii) another amount that we designate.</p> <p>If paying by electronic funds transfer and funds are refused, a \$25 charge plus reimbursement of our costs will be assessed</p>	Monthly or annually before January 1 <sup>st</sup> if you choose to prepay	<p>You are required to use our designated technology products and services, some of which may be provided by us or our affiliate. This fee will be paid to our affiliate WW Technologies.</p> <p>If this is a new Franchised Business, this fee will not commence until the 13<sup>th</sup> month of operations. For the time period from the 13<sup>th</sup> month of operation through the following December 31<sup>st</sup> we will prorate the amount due.</p> <p>If you choose to prepay by January 1<sup>st</sup> each year, you can use your method of payment of your choice. Alternatively, if you elect to pay monthly, you are required to either (1) provide our affiliate with a credit card authorization to keep on file permitting WW Technologies to charge the fee on your credit card or (2) provide account information so that WW Technologies can electronically transfer the funds.</p> <p>The current Premium Services add functionality to the CRM</p>
Renewal Fee	None	Not applicable	No fee due upon renewal of franchise agreement.

<b>TYPE OF FEE <sup>1</sup></b>	<b>AMOUNT</b>	<b>DUE DATE</b>	<b>REMARKS</b>
Failure to Maintain Insurance	Our actual cost for insurance premiums and a reasonable fee not to exceed 5% of the insurance premium cost we incur	On demand	If you fail to maintain the required insurance coverage, we may acquire and pay for the insurance coverage.
Audit	Cost of audit plus expenses, plus any amount owed as shown by the audit, plus the interest (lower of 18% or the maximum rate allowed by law) and late fees (2% of fees due to us)	When you are billed	In addition to other remedies we have due to your default, you will pay this if we find that you are purchasing unapproved products or supplies, purchasing products or supplies from an unapproved vendor, failing to provide requested information, or otherwise not complying with the terms of the Franchise Agreement.
Fines	<p>Up to \$5,000 per infraction for most violations</p> <p>Up to 15% of the customer contract value plus an amount up to \$10,000 per determination of infringement for selling in the territory of another Window World business</p> <p>Up to \$10,000 per determination of infringement for offering or soliciting in the territory of another Window World business</p>	Upon notice of infraction	Fines are in addition to any other remedies we may have under the Franchise Agreement, including default or termination. The amount of the fine will also be determined in accordance with our policies in the Manuals.
Interest	Lower of 18% or the maximum interest rate allowed by law	Upon notice	Interest is due if you fail to pay the full amount when it is due to us or if you have insufficient funds to cover an electronic transfer we initiate.

<b>TYPE OF FEE <sup>1</sup></b>	<b>AMOUNT</b>	<b>DUE DATE</b>	<b>REMARKS</b>
Late Fees	2% of fees due to us	Within 30 days of notice	This fee can be imposed for late payments due to us or our affiliates.
Re-Inspection Costs or Rescheduled Inspection Costs	Our costs	Upon notice	You must promptly reimburse us for our costs in conducting one or more follow up inspections if you fail an inspection or if after the inspection date has been established you must reschedule.
Legal Expenses	Our costs	Upon notice	If we incur legal expenses while assisting you then following notice we may bill you for the expense we incur. This applies to matters outside of dispute resolution
Indemnification and Hold Harmless	Varies; any and all types of damages, liabilities, losses, costs, and expenses we incur as a result of third parties claims or from your ownership and operations of the Franchised Business.	Upon notice	You and your owners must indemnify us and related parties for a broad range of claims related to your actions, omissions, ownership, and operations of the Franchised Business.
Attorney's Fees and Costs	Varies; our costs	Upon notice	The unsuccessful party in litigation shall pay the successful party all costs, expenses, and reasonable attorneys fees incurred in the litigation.
Enforcement Costs	Varies; our costs	Upon notice	If you violate a term of the Franchise Agreement, you must reimburse us for our costs incurred in pursuing enforcement of the Franchise Agreement.
Damages	Varies; amounts we incur	Upon notice	We have the right to require you to reimburse us any damages, costs, losses, or expenses we incur as a result of your default or if we terminate the Franchise Agreement early with cause.

<b>TYPE OF FEE <sup>1</sup></b>	<b>AMOUNT</b>	<b>DUE DATE</b>	<b>REMARKS</b>
Uncompleted Orders	Varies	Within 15 days of termination, expiration, or non-renewal of the Franchise Agreement	Upon expiration, termination, or non-renewal, you must provide us with an account of all pending window, siding and door orders for which funds have been received but installation has not been completed. You must tender all money received for such uncompleted orders to us.
System Modifications	All costs and expenses associated with system modification	As required	If we make changes to the system of operations, you must adapt your business to conform to the changes. These may be paid to us, our affiliates, or a third-party vendor we designate.
Tax Reimbursement	Taxes we pay as a result of providing products and services to you or any tax payments we make on your behalf	Upon notice	Does not apply to taxes we incur on our net income.
Customer Complaint Resolution	Our costs	Upon notice	We reserve the right to charge you this fee for our costs to respond or resolve a complaint by your customers when you do not resolve the complaint consistent with our procedures.
Data Inspections and Reimbursement	Varies	Upon demand	If you repeatedly violate the required data privacy and security obligations under the Franchise Agreement, we reserve the right to charge you our costs and expenses to inspect your business. Additionally, you are responsible for our costs and expenses that arise from your non-compliance or a security breach caused by you or your personnel.
Additional Training	Currently not imposed	As incurred prior to beginning of additional training	If you request or if we require additional training, we have the right to charge you an additional training fee. You are also responsible for the travel, living expenses, and wages for the trainees. We can change this fee from time to time.

<b>TYPE OF FEE <sup>1</sup></b>	<b>AMOUNT</b>	<b>DUE DATE</b>	<b>REMARKS</b>
Business Directory Listings	Actual out-of-pocket costs	Upon demand	You will place and pay the cost of business listings in the directories and categories we specify. Alternatively, we can do so on your behalf and at your expense.

Note 1: Unless otherwise indicated in the table, all of the fees are payable to, imposed by, and collected by us. None of the fees or payments in this Item 6 are refundable. At our option, we have the right to increase any flat fee to account for inflation, as measured by the Consumer Price Index. Except for our beta testers of WW360 Premium Services for whom we waived the Premium Services fee during our last fiscal year, all fees were uniformly applied by us.

Note 2: We may, during the term of your Franchise Agreement, allow you to offer roofing products and services if you meet our then-current qualifications and guidelines. We will not charge you an additional initial franchise fee to participate in this program, but you will pay us royalties for the roofing products you purchase as described in this Item. Currently, we allow you and all other franchisees to participate in the roofing program only if all of the following conditions are met:

1. Your Franchised Business must have been in continuous operation for at least three years.
2. In the calendar year prior to your participation in the roofing program, you (or your predecessor in interest, if you are purchasing an already-operating business) must have had total window sales volume on a per window unit basis that are equal to or greater than the gross sales achieved by the bottom 15% of Window World franchisees for the previous year within their market size.
3. For the two calendar years prior to your participation in the roofing program, you must have collected a minimum of 4% of your total gross sales from your sale of entry doors and 2% of your total gross sales from siding, to the extent our designated vendor of siding has, in its judgment, a suitable product for sale within your Territory.
4. You have obtained the appropriate licensure and training to provide roofing products and services.
5. You maintain all required insurance and require that any independent contractors you hire do the same.

We may also decline to allow you to participate in the roofing program if you or your affiliates have previously participated and been removed from the program.

To remain in the roofing program, you must (1) sell a minimum number of windows during each full calendar year (“Minimum Annual Window Sales Requirement”), which amount is a three to five year average of window units sold by the Franchised Business or a mutually agreed upon number to reflect special circumstances, (2) achieve the minimum yearly “MSI” (defined in Item 12), for your market size, (3) achieve the Minimum Entry Door Purchases, as that term is defined in the Franchise Agreement.

Note 3: The initial franchise fee covers the first twelve months of the basic Technology Fees if you start a new Franchised Business. Currently, the Technology Fee will cover the use of a

proprietary customer relations management software platform, WW360 provided by our affiliate WW Technologies, two email accounts, access to the Window World Owner's Portal, your domain name, and other products and services that we may add from time to time. We and our affiliate reserve the right to adjust the Technology Fee and to add or remove products and services at our discretion. We and our affiliate also reserve the right to offer premium versions of the technology products and services and charge an additional fee for the additional functionality. Our current franchisees will also pay us a start-up fee when they begin to use the technology products and services. New franchisees do not pay a start-up fee. We offer as an option, services to build and maintain a web site specific to your Franchised Business. If you elect optional services or Premium Services, you will pay additional amounts above the base Technology Fee. You are required to fully implement WW360, which means entering complete and correct data and actively using the six core WW360 functions: budgeting, advertising costs, product list developed, scheduling and resulting of all sales appointments, production pipeline, and service pipeline. We have the right to modify the definition of full implementation in the Manuals from time to time.

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## ITEM 7: ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT

**Table 1 – Headquarters <sup>1</sup>**

TYPE OF EXPENDITURE	LOW AMOUNT	HIGH AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee <sup>2</sup>	\$45,000	\$45,000	Cash or Check	Due upon execution of Franchise Agreement	Us
Royalties	Varies based upon product between \$.10 to \$75 per item if flat fee or up to 12% of gross purchase price for product if percentage		Vendor Terms	Currently collected by vendors when paid for products. Included in cost of products.	Vendor who remits royalties to us
Franchise Agreement Signing and Training Travel Expense <sup>3</sup>	\$100	\$2,000	Vendor terms	As incurred	Vendor
Leased Real Property – 3 months <sup>4</sup>	\$7,500	\$25,000	Pursuant to terms of lease	Pursuant to terms of lease	Landlord
Technology <sup>5</sup>	\$500	\$1,500	As negotiated with supplier	As incurred	Vendor
Construction/ Remodeling <sup>6</sup>	\$0	\$50,000	As negotiated with supplier	As incurred	Vendor
Security Equipment <sup>7</sup>	\$0	\$10,000	As negotiated with supplier	As incurred	Vendor
Office Furniture <sup>8</sup>	\$1,500	\$6,000	As negotiated with supplier	As incurred	Vendor
Office Supplies	\$500	\$1,000	As negotiated with supplier	As incurred	Vendor
Supplies for Installing Windows, Siding, and Doors – 3 months <sup>9</sup>	\$1,000	\$4,000	May vary by supplier	May vary by supplier	Vendor
Supplies for Installing Roofing Products – 3 months <sup>10</sup>	\$0	\$1,000	May vary by supplier	May vary by supplier	Vendor

<b>TYPE OF EXPENDITURE</b>	<b>LOW AMOUNT</b>	<b>HIGH AMOUNT</b>	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
Utility Deposit <sup>11</sup>	\$100	\$500	As negotiated with vendor	As negotiated with vendor	Vendor
Utilities – 3 months	\$3,000	\$5,000	As negotiated with vendor	As negotiated with vendor	Vendor
Lease Deposit <sup>12</sup>	\$0	\$12,500	As negotiated with vendor	As negotiated with vendor	Vendor
Formation of Business Entity; Obtaining a Business License	\$1,000	\$2,000	Varies	Varies	Varies
Acquisition of any Required State & Local Professional Licenses <sup>13</sup>	\$0	\$4,000	Varies	Varies	Varies
Monthly Vehicle Payments – 3 months <sup>14</sup>	\$0	\$3,000	As negotiated with vendor	When purchased	Varies
Vehicle Graphics <sup>15</sup>	\$0	\$2,000	Varies by vendor	When purchased	Varies
Initial Advertising <sup>16</sup>	\$30,000	\$30,000	Varies by vendor	Varies by supplier	Vendor
Compensation for Employees and Contractors <sup>17</sup>	\$0	\$50,000	At your discretion	At your discretion	Employees or contractors
Insurance <sup>18</sup>	\$3,000	\$9,000	As negotiated with vendor	As negotiated with supplier	Vendor
Legal and Professional Services <sup>19</sup>	\$0	\$5,000	Varies by vendor	Varies by supplier	Vendor
Exterior Signage <sup>20</sup>	\$0	\$2,500	As negotiated with vendor	When purchased	Varies
Call Routing Fees – 3 months <sup>21</sup>	\$168	\$168	As negotiated with vendor	Monthly	Approved vendor
Additional funds – 3 months <sup>22</sup>	\$30,000	\$60,000	Varies by vendor	As incurred	Vendors, landlord, employees, contractors, utilities
<b>TOTAL COST</b>	<b>\$123,368</b>	<b>\$331,168</b>			

**NOTES:**

1. All fees and payments are non-refundable unless otherwise noted or allowed by third-party vendor. This Table 1 assumes you will be opening and operating only the Headquarters and no Satellites. However, if you are required to open one or more Satellites because your



Territory has more than one million owner-occupied homes, you may incur additional costs. We estimate those costs in the following Table 2 for each Satellite. Neither we nor our affiliate finances any part of the initial investment.

2. The initial franchise fee paid to us is non-refundable. The initial franchise fee covers the initial grant of a license to operate the Franchised Business and other costs associated with our pre-opening obligations to you, such as the initial training we provide to you, access to our Manuals, our assistance in helping you to open your business, and a start-up package consisting of the following: one computer equipped with Microsoft Windows and QuickBooks, a tablet, a one-year year subscription to security and backup software, showroom displays, demonstrator samples, start-up print materials, an initial \$5,000 sign allowance, a \$1,000 siding display allowance, a \$500 apparel allowance, and the first twelve months of basic Technology Fees.
3. You are responsible for the cost of your transportation to our corporate office and training center in North Wilkesboro, North Carolina, to sign your franchise agreement and to attend new business owner training. We will pay for lodging during your visit. There is no separate training fee. You are responsible only for your travel expenses. This is an estimate for two owners. If you bring additional owners, you will incur additional costs. We assume you will combine the signing and training into a single trip. The cost of tickets to travel may be refundable under conditions permitted by the airline or other travel provider.
4. You must lease or provide a suitable facility for the Headquarters. Your Headquarters must have at least 5,000 square feet, private office space, a product showroom, a door suitable for loading and unloading product, and warehouse space. Unless you receive our prior approval, the Headquarters must have a loading dock meeting our specifications. With our prior approval, you may have your warehouse and showroom/office space in different locations, but we must approve each location. We recommend that you have a single location with 5,000 square feet of flex space and our estimates here are for a lease of that type of space. You may choose a larger facility, but it will increase your operating costs. We recommend that you use one-third of the floor space for your showroom and offices and use the remaining two-thirds as a warehouse for product storage. Your cost to lease is difficult to quantify because there are factors that will impact what you pay. These factors include the facility's location, its square footage, cost-per-square foot, renovation costs and any required maintenance fees. Your landlord may refund your security deposit, but most will not refund rental payments. You should ask your leasing agent or landlord about their refund policy before you sign a lease agreement. We do not require you to purchase or build a facility. Your cost may increase over our projections should you choose to purchase or build. You should consider construction delays and their unpredictable cost before electing to build or purchase. You should seek professional advice if you choose to purchase or build. The estimates here reflect three months of rent expense.
5. This figure varies depending on the equipment you select. Refunds for such equipment are set by the vendor. The vendor may permit you to return your unopened equipment and receive a refund. The low estimate assumes that you obtain the required machine with copying, printing, and fax capabilities. The high estimate assumes that you obtain the required machine as well as the following optional items: another tablet, a credit card reader, cellular service for the tablet, and an additional email address.
6. This figure varies depending on your site and desired modification(s) to the premises. No up-fit is necessary in some buildings, while extensive up-fit may be necessary in other

- buildings. Your up-fit costs will vary depending on many factors, including the size, condition and location of the building, local wage rates, and the cost of materials. These costs are typically non-refundable.
7. You are not required to purchase security equipment, but we recommend that you do. The high estimate represents the cost to purchase security equipment hardware for an 8,000 square foot space. The low estimate assumes you do not purchase security equipment. Refunds for such equipment are set by the vendor. The vendor may permit you to return your unopened equipment and receive a refund.
  8. These estimates are for the average costs to lease or purchase office furniture to fill a 5,000 square foot office space using one-third of that space as an office/showroom, and the remaining two-thirds as a warehouse. Refunds for such furniture are set by the vendor. The vendor may permit you to return your unused and/or unopened furniture and receive a refund.
  9. This estimate reflects the cost of supplies (caulk, trim, nails, coil, etc.) needed to install the inventory of windows, doors, and siding that you will sell during your first three months of operations. The purchase of inventory for windows, doors, and siding and all other products you may sell is not factored into this estimate. No supply of these products is required to begin operation of your Franchised Business. Typically, you will custom-order products to fulfill your sales contracts upon execution of the contract and receipt of a security deposit. Typically, these amounts are non-refundable.
  10. If you are eligible to participate in the roofing program, you will incur additional costs for the supplies to install the roofing inventory. The low estimate assumes you do not participate in the roofing program and the high estimate assumes that you do. The purchase of inventory for roofing products is not factored into this estimate. No supply of these roofing products is required to begin operation of your Franchised Business. Typically, you will custom-order products to fulfill your sales contracts upon execution of the contract and receipt of a security deposit. Typically, these amounts are non-refundable.
  11. This figure is an estimate of the total deposits paid for utilities at a new business. Figures will vary. We recommend that you initiate your telephone service at least three weeks prior to your opening so that you may receive calls generated from advertising that you roll out during this time period. Typically, these amounts are non-refundable.
  12. Most landlords require a lease deposit. The low estimate assumes that you own the building for the Headquarters.
  13. The jurisdiction where you locate the Franchised Business may require you to obtain a contractor's license or home improvement license. Typically, these amounts are non-refundable.
  14. You are not required to purchase or lease a vehicle for your business. If you do not, your subcontracted installers will be responsible for transporting the products in their own vehicles and with their own equipment. The low estimate assumes that you have a suitable vehicle already or that your subcontracted installers have their own vehicle(s) and equipment. If you elect to purchase or lease a vehicle for the business, we recommend you have a late model (less than 5-year-old) vehicle in good condition. The high estimate represents three months of financed payments or lease payments for the vehicle. This estimate does not assume that you purchase the vehicle outright with cash, and if you do, your initial investment in the vehicle will be substantially higher. Typically, these amounts are non-refundable.

15. You may choose to obtain branded graphics for your vehicle. The low estimate assumes that you use your signage allowance provided in the startup package to cover the cost of the graphics or that you choose not to have vehicle graphics.
16. You must engage in an initial, three-month advertising campaign and spend at least \$30,000 during the campaign. We recommend that you start your campaign at least 30 days prior to opening for business. Depending on the size of your market, we may recommend that you budget more. Typically, these amounts are non-refundable.
17. You may choose to employ individuals to assist in the operation of your Franchised Business, including but not limited to front office people, salespeople, design consultants, and installers. You may choose to engage contractors rather than employees to provide sales, design consultant, or installer services.
18. This insurance estimate reflects the insurance premium payments for three months for the minimum coverage that we require, discussed in more detail in Item 8. The major categories of insurance we require you to obtain include property insurance, workers' compensation insurance, and comprehensive general liability insurance.
19. You may need to retain an attorney, an accountant, and other consultants to help you to establish your Franchised Business. Your cost will depend on the location of the Franchised Business, the prevailing rates of local attorneys, accountants, and consultants. Your costs for these services are typically nonrefundable. You should inquire about the refund policy of the attorney, accountant, or consultant at or before the time of hiring.
20. You must have a minimum of one exterior sign that complies with our brand standards. We will give you as part of your start up package, a \$5,000 exterior signage allowance. The \$0 estimate assumes that the exterior sign allowance covers the entire cost of your signage and the high estimate assumes that you must incur additional costs for it.
21. You must pay our approved vendor for call routing services to a branded phone number. As of the issuance date of this disclosure document, this fee is \$46.78 per month with a \$25 start-up fee, but our approved vendor may increase this fee at any time. Typically, these amounts are non-refundable. The estimate is for three months plus the start-up fee.
22. We estimate the start-up phase to be three months from the date you open your business. These amounts do not include any estimates for owner salaries, owner living expenses, finance charges, interest, or debt service obligations. In creating this estimate we have considered the fees described in Item 6 of this disclosure document, rent, compensation for employees and contractors, utilities, maintenance, insurance, supplies, taxes, additional advertising, waste management services, and related operating costs. In our model, you will collect a customer deposit at the time the customer contract is signed. The balance of the contract price is collected upon installation. We recommend that you pay for product costs and sales commissions from the customer deposit. We relied upon the experience of our existing franchisees as reported to us. The operating costs on which you may use the cash reserve are typically non-refundable, but you should ask about refund policies before you patronize any vendor.

**Table 2 – Satellites Within the Territory <sup>1</sup>**

<b>TYPE OF EXPENDITURE</b>	<b>LOW AMOUNT</b>	<b>HIGH AMOUNT</b>	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
Showroom Product Displays	\$0	\$5,000	Cash or Check	Due upon execution of Franchise Agreement	Vendor
Leased Real Property – 3 months	\$7,500	\$25,000	Pursuant to terms of Lease Agreement	Pursuant to terms of Lease Agreement	Landlord
Equipment: Copier/Printer, Fax Machine	\$500	\$500	As negotiated with vendor	As incurred	Vendor
Construction/Re-modeling	\$0	\$50,000	As negotiated with vendor	As incurred	Vendor
Security Equipment	\$0	\$10,000	As negotiated with vendor	As incurred	Vendor
Office Furniture	\$1,500	\$6,000	As negotiated with vendor	As incurred	Vendor
Office Supplies	\$500	\$1,000	As negotiated with vendor	As incurred	Vendor
Utility Deposit	\$100	\$500	As negotiated with vendor	As negotiated with vendor	Vendor
Utilities – 3 months	\$3,000	\$5,000	As negotiated with vendor	As negotiated with vendor	Vendor
Lease Deposit	\$0	\$12,500	As negotiated with vendor	As negotiated with vendor	Vendor
Compensation for Employees	\$0	\$15,000	At your discretion	At your discretion	Employees
Property Insurance – 3 months	\$250	\$500	As negotiated with vendor	As negotiated with vendor	Vendor
Exterior Signage	\$1,600	\$7,500	As negotiated with vendor	When purchased	Varies
<b>TOTAL COST</b>	<b>\$14,950</b>	<b>\$138,500</b>			

**NOTES:**

1. This second table provides estimates for costs you will incur to open a Satellite if you are required to do so because your Territory has more than one million owner-occupied homes. If you open one or more Satellites within your Territory, you will incur these costs in addition to the costs for the Headquarters disclosed in Table 1. The Franchise Agreement addresses both the Headquarters and any Satellites. We do not offer a separate multi-unit franchise offering. If you do not operate any Satellites within the Territory, this Table 2 will not apply to you. Please see the notes to Table 1 for more detail about what these estimates cover.

## ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

**Required and Approved Vendors.** We have the right to approve all vendors of all products you sell. Where we have designated an approved vendor, you must purchase all products from approved vendors. A Franchised Business must currently sell windows, patio doors, entry doors and siding. You may also choose to sell the following products: garage doors, shutters and accessories related to approved products, and, if we allow you to do so and you sign the roofing amendment, you may also sell roofing products and services. If you sell these optional products, you must purchase them through an approved vendor.

In accordance with the procedures contained in our Manuals, you must use our approved vendor for printing services, customer financing, and showroom displays. As part of the start-up package provided to you for your initial franchise fee, we will supply you with an initial supply of printed materials. The cost of replacement of the materials included in the start-up pack is estimated to be between \$2,500 and \$5,500 approximately every six months. You must purchase these items from our approved printer.

We have an approved, but not designated, vendor from whom you may purchase other incidental supplies you may need to perform installations of products sold.

You are required to sign a Master Services Agreement that addresses certain technology products and services that will be used in the Franchised Business and which are covered by the Technology Fee. The Master Services Agreement is attached as Exhibit H. Individual service agreements are attached to the Master Services Agreement. Currently, the Technology Fee will cover the use of a proprietary customer relations management software platform, WW360 provided by WW Technologies, two email accounts, your domain name, and access to the Window World Owner's Portal. You will have the option to select a local web design company to develop your web site in accordance with our brand standards. Otherwise, currently, we or our affiliates are the exclusive vendors of these products or services to you, though we may not always be the original source of the products or services.

You are also required to sign a services agreement with our call routing service provider in the form attached as Exhibit G.

We require you to use QuickBooks and the form chart of accounts pre-established in QuickBooks for your accounting system. An initial one-year subscription for one user is included in the initial franchise fee, but you will be responsible for all upgrades and fees thereafter. You must purchase continuing access to this software from a vendor you choose.

As further discussed in Item 11, most of required initial computer equipment purchases are covered by the initial franchise fee. We make these items available to you but we are not the original source of them. You may purchase replacement or additional computer systems from the vendor you choose.

You must not use or set up any domain names, telephone numbers, or other electronic identities without your complying with our policies, which may require you to obtain prior written approval. The telephone numbers and electronic identities you use in connection with the Franchised Business, including for purposes of print or online directories, advertising, marketing, or promotions, must be assigned to us. The form of this assignment is Attachment 4 to Exhibit A. We reserve the right to designate a vendor for telephone services, telephone numbers, and other electronic identities. If we require you to use this vendor, you must “port” or transfer all telephone numbers associated with the Franchised Business to the approved vendor.

Where we have designated an approved vendor, you must use that vendor. Not purchasing your business’s product, equipment, inventory, supplies, or any other items where we have designated an approved vendor would put you in violation of the Franchise Agreement. Because of the volume of business franchisees bring to our approved vendors, you may enjoy lower prices than you could receive from other vendors, or on the other hand, you may encounter higher prices than you would otherwise encounter if you were not required to purchase from the approved vendor. We have broad rights to receive revenue from your required purchases. We will have no obligation to share such revenue received with you. As discussed in detail below, we receive revenue from approved vendors, which includes your royalties collected by the vendors as part of the purchase price of the products. We have the right to alter our relationship with our approved vendors or to create relationships in which we receive revenue at any time in the future and such modification or new vendor relationships could result in increased pricing for you.

**Specifications/Standards.** We may require that you purchase products and services in accordance with our standards and specifications. To the extent available through our Manuals, we will provide you with specifications and standards for the products and services you will use in operations of the Franchised Business. We can change or modify those specifications and standards at any time.

We also issue certain product specifications and standards to approved vendors of windows. We can change or modify those specifications and standards at any time.

**Common Ownership Interests; Affiliates as Vendors.** TMS, LLC, is an approved vendor. TMS, LLC is owned by one of our officers. You are not required to purchase caulk, spray foam insulation, “freeze” spray, or window cleaner from TMS, LLC, but you may choose to do so.

You will pay our subsidiary, WW Technologies, a Technology Fee for use of certain technology products and services. We have the right to alter the payment structure and to require that you pay approved vendors directly rather than paying us or our affiliate.

If you request temporary management services, you will pay our subsidiary, WW Management, a fee.

Other than as described above, none of our officers owns an interest in any vendor.

**Approval of Alternate Products, Services, and Vendor.** If you want to use a product, service, or vendor that we have not approved, you must first submit to us information that we will use to

evaluate the product, service, or vendor, such as product specifications, product components and technical specifications, product performance history, product samples, design, appearance, reliability, manufacturer's warranties, vendor history, vendor capacity, quality control methods, financial ability, and any other relevant information. If available through our Manuals, or otherwise, we will provide you, at your request, our criteria and specifications for products, services, or vendors. Unless we otherwise agree in writing to waive our evaluation, we will evaluate the proposed product, service, or vendor. If the product, service, or vendor meets our criteria and gains our approval (which we are not required to give, even if the criteria is met) you may use such product, service, or vendor. You will pay all costs incurred by us to obtain the necessary information prior to giving approval. We will advise you in writing of our decision within 90 days of the completed submission of your request and supporting materials. We impose these restrictions to safeguard the integrity of both the franchise system and the Marks. Approval of any product, service, or vendor may be revoked upon 30 days written notice.

**Franchisor and Affiliate Revenue.** We derive revenue through rebates, royalties, and license fees, which are monies paid to us by and through approved vendors and resources when supplies are purchased from these vendors by franchisees. The royalties collected through our vendors represent our primary source of revenue to perform our obligations to you. Currently, the royalties are calculated as a range between \$0.10 and \$75 per option or unit or up to 12% of the cost of the product that franchisee buys from the vendor. These amounts and bases can change in the future. If you buy a franchise, you will agree to the payment of these royalties.

We receive up to a 10% rebate on in-house printed materials from our approved printer.

For the year ending December 31, 2023, our total revenue from franchisee purchases made through approved vendors was \$40,258,237 or 84.61% of our 2023 annual revenue of \$47,578,652. Our affiliate, TMS LLC, received 100% of its 2023 total revenue of \$1,286,060 from sales to franchisees and they paid us royalties and administrative fees for certain shared services totaling \$70,247, which fees represent 0.15% of our 2023 annual revenue of \$47,578,652. Our affiliate WW Technologies received 95.6% or \$716,008 of its total revenue of \$748,670 from the required purchases of technology services by franchisees and 4.4% or \$32,682 of its total revenue of \$748,670 from optional credit card processing services. We also received warranty income of \$400 or approximately 0% of our 2023 income and fees for startup fees, website services, and other purchases from franchisees totaling \$170,055 or 0.36% of our 2023 income.

Certain vendors support our franchisee convention (what we call our "Family Reunion") by sponsoring the event and paying for booth rental space at the vendor exhibition hall. Additionally, they occasionally support franchisee meetings and sales contests. During 2023, we received \$55,000 from fees paid by vendors to sponsor, support and attend various franchisee meetings and sales contests.

No other affiliate derives any revenue from required purchases or leases. The revenue discussed for our affiliate is based upon financial reports provided by them.

**Proportion of Purchases.** The estimated proportion of purchases from approved vendors to all purchases you make in establishing your Franchised Business is 3–5%. The estimated proportion

of purchases from approved vendors to all purchases you make in the operation of your Franchised Business is 42–45%. You must purchase 100% of your inventory of exterior remodeling products from approved vendors. These inventory purchases are only a percentage of your overall purchases in establishing and operating your Franchised Business.

**Purchasing or Distribution Cooperatives.** There are currently no purchasing or distribution cooperatives.

**Negotiations.** We are not obligated to negotiate with any vendors for our franchisees' benefit. If we choose to do so, we cannot guarantee the outcome of any negotiations, including any price terms.

**Material Benefits to Franchisee.** Currently, we receive rebates based on our franchisees' purchases of products from our approved vendors. We currently choose to receive a reduced rebate for window sales made to franchisees who comply with our sales volume, insurance, reporting, financial, and other operational requirements. The portion of the rebate that we choose to forego is passed on as a discount in cost to those compliant franchisees. We have the right to change this policy and may reduce or eliminate this benefit to our franchisees at any time, for any reason, in our sole discretion, without any prior notice to you.

**Insurance.** You are required to obtain from a nationally recognized insurance company having an A.M. Best rating of A or higher, and at all times during the term of the Franchise Agreement maintain in force and pay the premiums, for all types of insurance listed below. From time to time in our sole discretion, we may increase or modify such limits of liability or require additional types of coverage, including coverage for cyber liability. You agree to name us and any person or entity with an insurable interest we designate in these policies as an "additional insured" (each, an "Additional Named Insured") which will expressly protect both you and the Additional Named Insured and will require the insurer to defend both you and us in any action while reserving the Additional Named Insured's right to involve counsel of their own choosing in protection of their own and system wide interests. Additionally, your insurance policy must waive on behalf of the insurer any right of subrogation by the insurance company against us, the Additional Named Insureds, our officers, shareholders, and employees. Your insurance must apply as primary and non-contributory. If you fail to purchase or maintain required insurance, we may, but are not obligated to, obtain such insurance for you and keep the same in force and effect, and you shall pay us, on demand, all premiums charged for such insurance policies together with a reasonable fee for the expenses we incur in doing so. You must deliver to us at commencement and thereafter annually or at our request a proper certificate of insurance evidencing the existence of the required insurance coverage. We also may request copies of all insurance policies.

Unless you obtain our prior consent, you will be required to maintain insurance in the following amounts: fire, extended coverage, vandalism, malicious mischief and special extended peril insurance at no less than 90% of the actual replacement value of the building (if owned), and contents, and improvement; workers' compensation and other insurance required by law; comprehensive general liability insurance on an occurrence basis naming us and our officers, directors and employees as an additional insured as follows: Bodily injury to or death of one or more persons with minimum coverage of \$3,000,000; property damage or destruction with



minimum coverage of \$3,000,000 per occurrence; public and product liability with minimum coverage of \$3,000,000; non-owned vehicle coverage with minimum coverage of \$500,000; owned vehicle coverage with minimum coverage of \$1,000,000.

If you are permitted to participate in the roofing program, you must also ensure that any independent contractors you hire obtain and maintain the same coverage and comply with the same terms.

**Customer Service and Warranties.** You must use your best efforts to satisfy customers and must follow any of our required procedures to resolve customer complaints. We employ a consumer relations team. You will be required to work with our consumer relations team to resolve disputes.

The products you sell to customers will typically carry a warranty through the manufacturers or fabricators. You must honor our labor guarantee and warranty policies for installation, repairs, and replacements as set forth in our Manuals. We do not charge you or the customer to participate in our warranty or labor guarantee program. However, under this program, you will be responsible for all labor and non-product materials (i.e., caulking) cost associated with warranty repairs in your Territory even if you did not make the original sale. This warranty policy could require you to provide the labor and related materials for the replacement of an approved Window World product that was sold by another business in your Territory prior to commencing operations of your Franchised Business. Our current warranty policy is as follows:

- You must always assume all service and warranty obligations for work you perform during the term of your Franchise Agreement, whether it was performed in the Territory or not. Your obligation to provide service and warranty obligations to customers in Gray Areas that become part of another franchisee's Territory will cease once that franchisee commences operations.
- You must always assume all service and warranty obligations for work performed in your Territory, even if you did not make the original sale.
- If you purchase an existing Window World business, you must also assume all service and warranty obligations for work that was performed by the seller franchisee and all prior owners of the business, whether the work was performed inside the Territory or not, unless an exception applies.
- If you purchase a new franchise from us, you must assume all service and warranty obligations for work that was sold or performed within your Territory before the date you commence operations of your Franchised Business; provided that we will cover your warranty service expenses for the first 90 days after you purchase the franchise, or until you commence operating your business, whichever occurs first.

## ITEM 9: FRANCHISEE'S OBLIGATIONS

### FRANCHISEE'S OBLIGATIONS

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

<b>OBLIGATION</b>	<b>SECTION IN AGREEMENT</b>	<b>DISCLOSURE DOCUMENT ITEM</b>
a. Site selection and acquisition/lease	1(b)-(c); 4(a) 6; Lease Rider	Item 11
b. Pre-opening purchase/leases	3(a); 4(a); 6; 10(a); 13(a); Lease Rider	Items 5, 7, 8, and 11
c. Site development and other pre-opening requirements	1(c); 4(a); 6; 10(a); 13(a); Lease Rider	Items 7 and 11
d. Initial and ongoing training	2(b); 4(a); 9(g); 9(o); 11(d); Roofing Amendment; Master Services Agreement	Items 6, 7, and 11
e. Opening	1(c)	Item 11
f. Fees	3; 4(a); 4(b); 8(a); 8(b); 9(f); 9(g); 9(i); 9(k); 9(l); 9(n); 10(c); 10(d); 11(d); 13(c); 14 (h); 15(a); 16(b); Limited Personal Guaranty; Master Services Agreement	Items 5 and 6
g. Compliance with standards and policies/ Manuals	1(a); 1(d); 6; 7; 8; 9(a); 9(b); 10; Roofing Amendment; Master Services Agreement	Items 8, 11, 12, 13, 14, 15, 16, and 17
h. Trademarks and proprietary information	Recitals; 1(a); 5(e); 6(h); 7; 8; 12; 15; 18; Lease Rider; Non-Disclosure and Non-Confidentiality Agreement; Nondisclosure and Non-Solicitation Agreement;	Items 13 and 14
i. Restrictions on products/services offered	1(a); 5; 9(a); 9(b); 9(f); 9(l); 10; Roofing Amendment	Items 8 and 16
j. Warranty and customer service requirements	5(d); 9(f); 9(l); Roofing Amendment	Items 6, 8, and 11
k. Territorial development and sales quotas	2(b); 5; Roofing Amendment	Item 12
l. Ongoing product/service purchases	8; 9(b); 9(f); 10; 13(a); Master Services Agreement	Items 8 and 11
m. Maintenance, appearance, and remodeling requirements	1(b); 2(b); 4(a); 6; 9(b); 11(d); 15(a)	Items 11 and 17
n. Insurance	13; Roofing Amendment	Items 8 and 17
o. Advertising	1(e); 7(b); 7(j); 8; 9(k); 10(e); 15(a)	Items 6 and 11

<b>OBLIGATION</b>	<b>SECTION IN AGREEMENT</b>	<b>DISCLOSURE DOCUMENT ITEM</b>
p. Indemnification	6(g); 7(i); 9(g); 9(k); 11(d); 16(b); Limited Personal Guaranty; Roofing Amendment; Master Services Agreement	Items 13, 14, and 17
q. Owner's participation/ management/ staffing	1(d), 1(f)-(g); 4(a); 9(g); 9(o); Limited Personal Guaranty	Items 11 and 15
r. Records and reports	2(b); 6(i); 9(i); 9(k); 11(d); 12(e)	Item 11
s. Inspections and audits	2(b); 3(a); 6(i); 9(i)(iii); 9(k)(vi); 11(d)	Item 17
t. Transfer	11	Item 17
u. Renewal	2(b)-(d)	Item 17
v. Post-termination obligations	12; 15; 16(a); Lease Rider	Item 17
w. Non-competition covenants	12; Non-Disclosure and Non-Confidentiality Agreement; Nondisclosure and Non-Solicitation Agreement; Roofing Amendment	Item 17
x. Dispute resolution	18	Item 17

## **ITEM 10: FINANCING**

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

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

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

### **Summary of Assistance**

Prior to the opening of your new Franchised Business, we will:

1. Provide you with our site selection acceptance criteria. (Franchise Agreement 4(a))
2. Provide you with a start-up package of computer equipment. (Franchise Agreement 4(a)).

Specifically, the computer equipment provided includes:

- One PC-compatible laptop and dock with an LED display, wireless mouse, and keyboard
- One tablet with a cellular service (you must pay for service)
- Microsoft Office – one year for one subscriber to Microsoft 365 Business

- Intuit QuickBooks – one year for one subscriber
- One year of client security and cloud backup provided by TechSperts

The laptop will be delivered to you at training and the remaining items will be shipped to you. The chart of accounts will be pre-established in QuickBooks.

3. Provide you with up to a \$1,000 siding display allowance to be spent on siding displays from a Window World approved siding vendor. (Franchise Agreement 4(a))
4. Provide you with showroom displays and in-home presentation samples. (Franchise Agreement 4(a))

Specifically, we will provide you with:

- Three rolling displays with signage to accommodate 28”x46” windows;
  - Two displays with signage to accommodate 46”x46” windows;
  - Five windows for window displays;
  - One rotating glass demonstrator and pedestal;
  - One brochure spinning display and literature holder;
  - One small base patio door column set; and
  - Five door slab spinners (for 1.75” doors).
5. Provide you with up to a \$5,000 exterior sign allowance. (Franchise Agreement 4(a))
  6. Provide you with a \$500 apparel allowance to be used with a vendor we approve. (Franchise Agreement 4(a))
  7. Provide you with a package of start-up print materials from our approved vendor, which includes customer-facing materials about the brand, products and warranties and other materials like lead reports, job folders, letterhead and envelopes, thank you notes, business cards, and signs for use at your customer’s home. (Franchise Agreement 4(a))
  8. Provide you with an initial training program (unless we both agree, in writing, to defer the training until post-opening). (Franchise Agreement 4(a))
  9. Provide you with access to the current Manuals (including the Extranet, which contains digital resources and assistance for running the franchise). (Franchise Agreement 9(a))
  10. To the extent we have them, we will provide you with specifications and/or a list of required or approved vendors for any required or recommended product or service to be used in connection with the Franchised Business. We have the right to amend and/or modify such specifications or vendor lists at any time. (Franchise Agreement Section 4(a))

During the operation of your Franchised Business, we will:

1. Provide you with continued electronic access to the current Manuals. (Franchise Agreement 9(a))
2. In connection with the Master Services Agreement for technology products and services,
  - a. Purchase a domain name and, if you choose to use our services, create a web site to advertise your Franchised Business. We will own all web sites, even if you use a different web design service provider.
  - b. Register social media accounts associated with your business (X, Facebook, and Instagram) and register a Google Business Profile.
  - c. If requested, purchase a shortened domain name for use in your Franchised Business' email addresses.
  - d. Provide technology services for a required monthly fee (see below for additional details), including a proprietary CRM solution service. We have the ability to cease providing any individual technology services at any time if we later require you to use a third-party vendor to provide you with similar services or otherwise determine that the required solution is not in the best interests of the franchisees.
  - e. Provide you one year of prepaid basic Technology Fees from date the franchise commences operations if you are opening a new Franchised Business.

(See Master Services Agreement; Franchise Agreement Sections 3(a)(iii); 8(h))

3. Provide you with additional training opportunities and instructional meetings, the frequency and content of which we have the sole discretion to determine. (Franchise Agreement 4(a))
4. Provide advice, information, and consultation services to you related to the operation of your franchise as reasonably requested by you and make available to you field support. (Franchise Agreement 4(a))
5. If you purchase a new Window World franchise from us (rather than purchasing an existing Window World business from us, an affiliate, or a franchisee), we will cover your service expenses for Window World warranty claims in your Territory for the first 90 days after you sign your Franchise Agreement or until you commence operations, whichever occurs first. (Franchise Agreement Section 5(d))

Additionally, we have the option, but not the obligation to:

1. Inspect your Franchised Business location before you open. (Franchise Agreement 6(i))
2. Negotiate prices with approved vendors and assist you in customizing pricing in your region. (See Franchise Agreement Section 10(a)-(b))
3. Participate in advertising and maintain a brand web site. (Franchise Agreement Section 8(f), 8(h))

### **Additional Notes on Pre-Opening Assistance**

**Site Requirements and Recommendations.** At all times during the term of your Franchise Agreement, you must have a Headquarters that meets our minimum requirements at a location we accept. Your Headquarters must have at least 5,000 square feet, private office space, a product showroom, a door suitable for loading and unloading product, and warehouse space. Unless you receive our prior approval, the Headquarters must have a loading dock meeting our specifications. You must also ensure proper placement for a dumpster (which is provided by a third-party waste management service provider), outside the view of the customer entrance. We recommend that your Headquarters use one-third of the floor space for your showroom and the remaining two-thirds as a warehouse for inventory. With our prior approval, you may have your warehouse and loading dock at a different location than your product showroom and office space. However, we must approve all locations where you operate the Franchised Business; all of the locations must be within the Territory. In some instances where you are granted a Territory with at least one million owner-occupied homes, we may require you to operate one or more Satellites. You may also request our approval to open one or more Satellites in the Territory. Each Satellite must be located at a site acceptable to us.

It is your responsibility to select the site for your Headquarters and any Satellites. Other than providing you with our site selection acceptance criteria, we are not required to provide or assist you in locating a site or obtaining your business premises. You must obtain our prior acceptance of your sites. You must submit to us within 45 days of executing the Franchise Agreement up to three locations for your Headquarters for our review. If you have not received our acceptance in writing within 30 days of submitting the site to us, the site is deemed not accepted. If you do not obtain our acceptance of a site within 90 days of signing the Franchise Agreement and commence operations, we will have the right to terminate the agreement. Some of the factors we consider in deciding whether to accept sites include general location and neighborhood, population and demographic studies, traffic patterns, size, layout and other physical characteristics, ability to accommodate our exterior signage specifications, rentals, lease terms including duration, and general conditions for use as a Window World franchise. We do not generally own any of the sites or lease them to you.

Unless you receive our prior approval, you must lease the accepted site for operations. Any lease must include the Lease Rider (Attachment 1 to the Exhibit A) or an alternative that we accept.

Unless you receive prior written permission from us, you must not use any Headquarters or Satellites for any purpose other than the operation of the Franchised Business. We may, but are not obligated to, approve use of your facility to operate a business complementary to the Franchised Business if there is no co-branding and if you meet certain requirements for segregation of the businesses' revenue and records.

**Site Construction, Décor, and Compliance.** It is your responsibility to outfit your Headquarters and any Satellites. It is your responsibility to conform the plans to all local ordinances and building codes, to obtain any required permits, and to pay any associated fees; we do not provide you assistance with these tasks. We require that each Headquarters and Satellite has signage bearing the Window World trademark in the manner prescribed in our then-current Brand Identity Guide.

The construction, remodel and/or decoration of your Headquarters' and Satellites' interior is left to your discretion, subject to our approval, as long as you meet the minimum requirements and comply with brand standards. We encourage you to visit existing stores, which will provide insight for you as you select a location and prepare for opening.

**Necessary Equipment and Inventory for Opening.** We will provide you with a list of approved vendors and/or specifications for some of the signs, inventory, supplies, and marketing materials you will use in your business. We also provide some items through a start-up package detailed above and below. We will cause the start-up package to be delivered to you but we will not install it. (Franchise Agreement Section 4(a))

***Computer Equipment and POS System.*** We require you to obtain specific computer equipment for your Franchised Business. As noted above, for your initial franchise fee, we provide a start-up package of computer equipment and some software subscriptions. We do not require you to obtain a traditional point of sale system. The data that is generated and stored in the required computer systems includes customer information, order and product information, operational information, financial and accounting information, and sales and marketing information.

You must also independently purchase a machine with copying, printing, and fax capabilities. We estimate the cost of this machine to be \$500. You will be required to provide your own high-speed internet access at your office.

You have the option to add other technology to your business, such as an additional tablet, a credit card reader, cellular service for the tablet, and an additional email address. We estimate that your initial purchases of these optional items would be approximately \$1,000.

After your first year of operations, you may choose to obtain the required computer systems and related services from other approved vendors and not just the original vendor. If you replace or upgrade your laptop and other computer hardware, we estimate it will cost approximately \$2,000-\$3,000 to do so, but costs can vary widely based upon the type of hardware you choose. We estimate that you will spend about \$700 per year for a subscription to QuickBooks Online. You are required to use QuickBooks. All of these are subject to changes in vendor pricing.

Currently all the other required software is provided to you for the Technology Fee. The base Technology Fee is currently \$499 per month and is paid to us or our affiliate. You have the option to pay the Technology Fee annually for the upcoming calendar year. Currently, the Technology Fee includes CRM system WW360, your domain name, access to the Window World Owner's Portal web site, and two email addresses. If you elect certain optional services or Premium Services, additional amounts will be added to the Technology Fee each month. We and our affiliate have the right to increase our Technology Fee at any time and to modify, remove, discontinue, or add functions, products, solutions, or services at any time, in our, or our affiliate's, sole discretion. We and our affiliate also reserve the right to offer premium services for an additional fee. Ongoing maintenance, repairs, upgrades, or updates to the products and services provided through the Technology Fee are in our or our affiliate's sole discretion and not at our or its obligation. (Franchise Agreement Section 3(a)(iii); Master Services Agreement)

The Technology Fee covers the costs for your use of two designated email addresses to be used in connection with the Franchised Business through the term of your Franchise Agreement. At your option, you may also maintain additional, approved email address(es) with an approved unique domain name. The Technology Fee covers the expense of maintaining this unique domain name. The cost of additional email addresses is currently \$12.50 per month per address.

You are required to fully implement WW360, which means entering complete and correct data and actively using the six core WW360 functions: budgeting, advertising costs, product list developed, scheduling and resulting of all sales appointments, production pipeline, and service pipeline. We have the right to modify the definition of full implementation in the Manual from time to time.

As the current computer system requirements change, you may be required to maintain, repair, upgrade or update your hardware and software. If we require you to purchase, lease or implement any additional computer systems provided by third parties, we will provide you with at least 12 months' notice of the change. This limitation does not apply to technology we or our affiliates provide. Otherwise, there are no contractual restrictions on the frequency or the cost of upgrading. We have no contractual obligation to maintain, repair, update, or upgrade any of the required computer systems. There are no required maintenance, updating, upgrading, or support contracts that we are aware of. (Franchise Agreement Section 9(j))

We have the ability to independently access the data associated with your Franchised Business at all times, whether remotely or in-person, and you must provide us with the log-in and other information necessary for this access. The only contractual limitation on our right is that we will not access the personal information of your employees without your consent. (Franchise Agreement Section 9(j))

***Additional Start-up Support Items.*** See the discussion above regarding the showroom displays, samples, and start-up package of print materials we provide. The subsequent purchase of these materials is your responsibility. (Franchise Agreement Section 4(a))

**New Store Owner Training.** We will provide an initial training program ("New Store Owner Training") for one Operating Owner or the Operations Manager and others that we may designate. We have no obligations to provide this training to any Non-Operating Owners. New Store Owner Training is offered on an as needed basis at our corporate headquarters and training center in North Wilkesboro, North Carolina or at an approved training location we designate. We provide the trainees with access to a Participant Workbook at New Store Owner Training.

The New Store Owner Training will be coordinated by David Mastin, our Director of Franchise Advancement, who has over ten years' experience with us, or our Window World operations team members, who each have a minimum of three years of experience with us and/or in the sale of residential remodeling products.

You are responsible for your representatives' travel expenses to and from our corporate headquarters and training center. We will provide lodging for your representatives.



New Store Owner Training is mandatory for at least one Operating Owner or the Operations Manager. There are no performance criteria to be met to satisfy our attendance requirement other than all attendees must participate in the entire training program; the effectiveness of the training program is founded on attendee engagement. As applicable, each of your Operating Owners and Operations Managers must complete the training prior to opening unless otherwise agreed to by us. New Store Owner Training must be completed at least two weeks prior to opening the business.

Between the time of the New Store Owner Training and opening of your Franchised Business, you will also receive training on the WW360 customer relationship management software.

Additionally, we will provide you with the support of a regional manager for up to 30 hours at your Franchised Business prior to opening.

Below is the outline of the initial training.

### **TRAINING PROGRAM**

<b>SUBJECT</b>	<b>HOURS OF CLASSROOM TRAINING</b>	<b>HOURS OF ON-THE-JOB TRAINING</b>	<b>LOCATION</b>
<i>New Store Owner Training</i>			
The Window World Way, including overview of the W.I.N.D.O.W.S Selling System & Financing Program	1.5	0	North Wilkesboro, NC or approved training location we designate.
Budgeting / Managing Your Money	2	0	North Wilkesboro, NC or approved training location we designate.
Accounting / QuickBooks	1.5	0	North Wilkesboro, NC or approved training location we designate.
Marketing / Lead Generation	2	0	North Wilkesboro, NC or approved training location we designate.
Policies	1	0	North Wilkesboro, NC or approved training location we designate.
Royalties	1	0	North Wilkesboro, NC or approved training location we designate.
Installations / Lead Safe Work Practices	1	0	North Wilkesboro, NC or approved training location we designate.

<b>SUBJECT</b>	<b>HOURS OF CLASSROOM TRAINING</b>	<b>HOURS OF ON-THE-JOB TRAINING</b>	<b>LOCATION</b>
Consumer Relations / Warranties	1	0	North Wilkesboro, NC or approved training location we designate.
Understanding Window World Products	3	3	North Wilkesboro, NC or approved training location we designate.
Regional Manager Training / Support	0	30	Franchised Business
<b>New Store Owner Training Subtotal</b>	<b>14</b>	<b>33</b>	
<i>WW360 Training</i>			
WW360 functionality, operations, implementation	6	12	Online and at the Franchised Business
<b>WW360 Subtotal</b>	<b>6</b>	<b>12</b>	
<b>TRAINING TOTAL</b>	<b>20</b>	<b>45</b>	

(Franchise Agreement Section 4(a))

Discussion of additional training is below under the heading, “Additional Notes on Post-Opening Assistance” and subheadings “Training Programs” and “Conventions and Training.”

### **Timing for Opening Your Window World Business**

You must have leased and opened your Franchised Business within 90 days of execution of your Franchise Agreement. You must submit your sites to us for review within 45 days of execution of your Franchise Agreement. Factors which may affect preparation for opening include the ability to obtain a lease, financing, building permits, zoning and local ordinance compliance, licensing requirements, weather conditions, shortages, or delay in installation of equipment, fixtures, and signs. You should allow for these circumstances in preparing to open your business. The typical length of time between signing the Franchise Agreement and opening the Franchised Business is 90 days. (Franchise Agreement Section 1(c))

### **Additional Notes on Post-Opening Assistance**

**Product Development.** We work with our approved manufacturers and vendors to provide new products to our franchisees. However, we are not responsible for delays or shortages our vendors may experience in fulfilling our franchisees’ orders, whether due weather, supply chain issues, or other events. We encourage you to communicate with us regarding specific product needs in order to aid our discussions and continue product development through our vendors. However, we are

under no obligation and may be unable to offer every product requested by franchisees or by potential customers. (Franchise Agreement Section 4(a); 10(a))

**No Hiring or Training of Your Employees or Contractors.** Your franchise is independently owned and operated; therefore, we are not obligated to hire or train your employees or contractors. You are responsible for hiring and training your employees or contractors as well as developing your employment policies. (Franchise Agreement Section 9(g))

**Assisting You with Your Window World Business.** We strive to support you in the operation of your Franchised Business, including giving advice about operational problems you encounter. The following resources are currently available to all Window World franchisees:

***Field Support.*** We employ people who will monitor the field and travel to your Headquarters for assistance. These personnel are currently referred to as Regional Managers. They primarily provide support by analyzing your Franchised Business and offering suggestions for developing your business. We have the right to reduce or change our field support processes, frequency of assistance, and staffing at any time.

***Training Programs.*** We may periodically offer other training programs as we deem appropriate, at our sole discretion. You will be responsible for all costs you incur in attending these programs. We may delegate some or all this training and assistance obligation to third-party vendors, as we deem appropriate. Other speakers and trainers may be franchisees. Most training and assistance is optional, but we may require that you attend, at your expense, additional training as we deem fit. (See Franchise Agreement Section 9)

***Conventions and Training.*** From time to time, we may offer conferences, instructional meetings, and other training courses at the intervals and in the manner we determine in our discretion, although we are not required to do so. We reserve the right to require the Operating Owner or Operations Manager to attend programs designated by us as mandatory. We can place restrictions on non-owner managers attending. Although we have offset some of the costs of these programs in the past, you will be responsible for all transportation, lodging, food and other costs incurred in attending such programs. Any trainer from the Window World operations team will have a minimum of three years of experience with Window World and/or in the sale of residential remodeling products. We may also invite outside experts or speakers to present at our conferences, meetings, or trainings. (Franchise Agreement Section 4(a); 9(g))

**Establishing Product Prices.** We do not currently maintain a national pricing structure, but we reserve the right to do so in the future. If established, you are required to follow our established pricing structure. We may give you advice regarding pricing in your Territory. (Franchise Agreement Section 10(b))

**Administrative, Bookkeeping, Accounting and Inventory Control Procedures.** You must implement our standard administrative, bookkeeping, or inventory control procedures as we may periodically establish. You must maintain your books for reporting purposes using the accrual accounting method (you may utilize cash basis for tax purposes). We provide you with a one-year, one-user subscription to QuickBooks with the chart of accounts already established, which we

require that you use for accounting purposes. You are not permitted to alter the established chart of accounts, but you can add more detail in subaccounts. We do require that you submit financial reports to us on a semiannual basis. We also require annual reviewed financial statements, prepared by an independent certified public accountant. We also have the right to require other reports, financial statements, and information be submitted to us upon our request. (Franchise Agreement Section 4(a); 9(i))

**Advisory Council.** While we are not required to do so, we currently maintain a franchise advisory council (“AC”). The AC will provide advice to us on various matters, including advertising. The AC serves in an advisory capacity only and has no operational or decision-making power. We have the power to change or dissolve it at any time. Currently, following their two-year term, a percentage of the members of the AC elect their replacements from the franchise community and a percentage are selected by us. Only owners of franchises in good standing can serve as members of the AC. Non-owner managers cannot be elected to the AC.

### **Advertising**

**Our Advertising Obligations.** Although we may choose to conduct advertising for the brand, we are not obligated to conduct any advertising and are not required to spend any amount on advertising in your area or Territory. We currently maintain a web site, [www.WindowWorld.com](http://www.WindowWorld.com), and we may participate in certain events or national broadcast media, which result in national coverage. We can also choose to participate in events or use media that have a local or regional scope. There are no limitations on the media or advertising sources we may choose to use. Advertising sources may include an in-house team or national or local advertising and marketing agencies and providers. (Franchise Agreement Section 8(f))

**Your Advertising Obligations and Opportunities.** You are responsible for the creation and implementation of advertising for your Franchised Business. Your advertising must comply with our Brand Identity Guide. You must engage in an initial, three-month advertising campaign and spend at least \$30,000 during the campaign. We require that you spend at least 7% of your prior calendar year’s gross sales on advertising. We have the right and sole discretion to waive, defer, reduce, or permit variations from the Minimum Local Advertising Amount to any franchisee based on performance, longevity, peculiarities of a particular territory or any other circumstances. You must provide us annually, at the time we designate, with an accounting of the amounts you have spent on advertising. You are permitted to use your own advertising materials from a source you choose for general advertising of your business. You must submit proposed advertisements to us for our approval, unless the advertisements are created from templates Window World approves and generates. If we do not disapprove of the advertisement within 20 days of receipt, then the advertisement will be deemed approved. You cannot use any advertisement we have disapproved even if it was approved previously. (Franchise Agreement Section 8(b), (c), (e))

**Advertising Funds.** We have not established or require you to contribute to any other advertising fund.

**Advertising Cooperatives.** You are not currently required to participate in a local or regional advertising cooperative. However, we reserve the right to require you to participate in advertising

cooperatives. We have the exclusive right to require that advertising cooperatives be formed, changed, dissolved, or merged. We have the right to determine the area and membership of each cooperative, which would likely be on a regional basis. If you are required to participate in an advertising cooperative, you will be required to contribute your share of the cooperative's budget as determined by the cooperative's members. Each required local advertising cooperative must adopt written governing documents, which will be available for you to review. We can recommend or mandate the form of written governing document. Each cooperative may determine its own voting procedures; however, each company-owned Window World business and each Franchised Business will be entitled to one vote in any local advertising cooperative in which they are a member. The members and their elected officials are responsible for administration of the cooperative. Advertising cooperatives must prepare unaudited quarterly and annual financial statements prepared by an independent CPA and must be made available to all franchisees in the advertising cooperative. If an advertising cooperative is formed, it will not be a trust fund, and we will have no fiduciary duty to your or any franchisee in connection with the collection or use of the cooperative monies or any aspect of the operation of the cooperative. In no event will you be required to contribute more than 3% of your annual gross sales to the cooperative. Whether you contribute a different amount or at a different rate than other franchisees in the cooperative will be determined by the voting procedures in the cooperative. Any company-owned Window World business in the cooperative will participate on the same basis as similarly situated franchisees in the cooperative. Any amount you contribute to an advertising cooperative will count toward the 7% annual gross sales you are required to spend on local advertising. We have the discretion to grant exemptions from participation in the cooperatives to certain franchisees or company-owned businesses. (Franchise Agreement Section 8(a))

**Online Presence.** We have the option and currently maintain a web site and one or more social media sites for the Window World brand. (Franchise Agreement Section 8(h))

We may also develop and maintain any other type of online, internet, virtual, or digital presence (each an "Online Presence") as we see fit. An "Online Presence" includes (1) the brand web site, other webpages, URLs, or domain names; (2) accounts, pages, or profiles on social media sites; social networking sites; news sites; online, internet, or digital directories; video, photography, and messaging services; blogs; or forums; (3) e-commerce sites or accounts; (4) digital or online advertising and marketing content and services; (5) mobile applications; (6) virtual reality platforms; (7) any identifiers of an Online Presence; or (8) a presence on any other type of online, internet, virtual, or digital tool, product, or service that may be developed.

We will have the sole right to control all aspects of each Online Presence, including its design, content, functionality, links to any other Online Presence, legal notices, and policies and terms of usage. We will also have the right to discontinue operation of any Online Presence at any time without notice to you. You may not establish or operate an Online Presence that in any way concerns, discusses, or alludes to us, the brand, or your Franchised Business without our written consent, which we can revoke. The Marks may not be used as part of, in conjunction with, to establish, or to operate any Online Presence, except as specifically approved by us. We may designate, from time to time, regional or territory-specific usernames/handles to be maintained by you for any social media Online Presences.

You may not post, and must take such steps as necessary to ensure that your employees and independent contractors do not post, any information on an Online Presence relating to us, the brand, the Marks, or the Franchised Business that (a) does not comply with our brand, social media, or Online Presence guidelines; (b) is derogatory, disparaging, or critical of us, the brand, or the Marks; (c) is offensive, inflammatory or indecent; or (d) harms the goodwill and/or public image of the brand and/or the Marks. We have the right to modify our social media and Online Presence guidelines at any time, upon written notice to you.

Any Online Presence you are approved to create will be owned by us and, if requested by us, registered in our name. If you gain any ownership rights to an Online Presence, then we have the right to have those rights transferred to us at any time. Upon request, you must provide us with any login credentials for any Online Presence you are authorized to create, use, or maintain. We have the right to access any Online Presence. We can take corrective action if any content or post on the Online Presence is in violation of our policies.

When you sign your Franchise Agreement, you may elect to use our web site design services. If you choose these, you are required to sign a Master Services Agreement, attached as Exhibit H, and Web Design and Management Agreement, of the form attached as Exhibit 2B to Exhibit H, and to pay the required Technology Fee. If you select our services, we will design and maintain a web site for your Franchised Business. Even if you do not select our web design services, we will register and own a domain name for your franchise-specific web site. We reserve the right to establish rules, procedures, and policies relating to the franchise-specific web site. We will own the domain names for your Online Presence. All materials included on the web site are subject to our initial and continued approval.

### **Manuals**

The Manuals, which include our Brand Standards Manual and Brand Identity Guide, contain mandatory and suggested specifications, standards and procedures. In addition to the Manuals, we will grant you access to our Window World Owner's Portal web site ("Extranet"). The Extranet contains information on financial and inventory management, store resource management, marketing, merchandising, our policy and procedures, and vendor programs. Any materials posted on the Extranet, or otherwise provided to you electronically or in writing, as part of our Manuals shall also constitute part of the "Manuals." All content of the Manuals is confidential and the Manuals remain our property. Unless we authorize in writing a non-owner to view the Manuals, no one other than owners should access these materials. We currently permit design consultants and general managers to view certain sections of the Extranet. If permission is granted, the non-owner will sign a confidentiality agreement with us and be issued their own credentials. We have eliminated the paper copy of the Manuals and now distribute the entire Manuals through our Extranet or other electronic means determined by us. In the event of a conflict between your version of the Manuals and the version at our home office, the home office version will control. We may periodically amend, update, or replace the contents of the Manuals without prior notice to you. You will comply with each amended, updated or replaced provision once uploaded to the Manuals, unless a delayed start time is specified. Revisions to the Manuals will be made in our sole discretion. (Franchise Agreement Section 9(a))

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

<b>Section</b>	<b>Number of Pages</b>
<b>1.</b> Introduction to the Window World Brand	23
<b>2.</b> Franchisor’s Obligations (assistance, training, pricing)	9
<b>3.</b> Franchisee’s Obligations (training, marketing, approved goods and suppliers)	9
<b>4.</b> Franchisee Onboarding	6
<b>5.</b> Operational Standards (hours, appearance, showroom standards, signs, vehicles)	10
<b>6.</b> Sales Process and Management	21
<b>7.</b> Installations and Warranty	7
<b>8.</b> Staffing Best Practices	11
<b>9.</b> Showroom and Vehicle Maintenance	4
<b>10.</b> Financial Management and Key Performance Indicators	7
<b>Total Pages</b>	<b>107</b>

## **ITEM 12: TERRITORY**

**Location and Relocation.** You will receive an exclusive territory (“Territory”), the specifics of which will be defined in your Franchise Agreement. At all times you must maintain your Headquarters within the Territory. You must obtain our prior acceptance of the location of the Headquarters. You may also request our approval to open one or more Satellites or other operational sites not open to the public within the Territory. We have the discretion to approve or disapprove these requests. Any Headquarters, Satellite, or operational site must comply with our standards. You may, with our prior written consent, relocate your Headquarters and any Satellites or operational sites within your Territory. If your landlord terminates your right to possess the Headquarters, you must choose a new location and obtain our acceptance within 60 days of your loss of possession of the original site.

**Minimum Territory.** We will grant, at a minimum, one county/parish as a Territory. If you are granted a Territory that has more than one million owner-occupied homes, we may require you to open one or more Satellites within your Territory.

**Rights of First Refusal/Acquisition of Additional Franchises.** You do not acquire any options, rights of first refusal, or similar rights to acquire additional franchises.

**Exclusivity.** Your Territory is exclusive. Subject to our reserved rights, we will not establish and operate, nor license any party to establish and operate, a business selling and installing exterior remodeling products using the Marks and the Window World franchise system within the Territory. The exclusivity will apply only once you commence operations of the Franchised Business and not during the period between signing the Franchise Agreement and your work to start-up the business. Additionally, if the Territory contains any area that we formerly permitted one or more Window World franchisees to market or sell into, those franchisees will have the right

to complete the installations and warranty work for customers who entered into contracts before your exclusivity became effective.

**Minimum Performance.** You will not have the right to renew your Franchise Agreement for an additional term if your gross unit sales volume of windows for the two years immediately prior to the expiration of the initial term of the Franchise Agreement have not been at least as high as those collected by the 25th percentile of other franchisees in the same market category during the same time period.

You will be in default under the Franchise Agreement if you fail to achieve the Minimum Market Share Index (“Minimum MSI”) for your market size after the 7<sup>th</sup> year anniversary of your Franchise Agreement. “MSI” is defined the percentage of window and patio door units sold compared to the total estimated window and patio door unit sales opportunity within the Territory. If the default is not cured or the default is repeated in consecutive years or occurs two times in a three-year period, then we can terminate your Franchise Agreement. The current initial Minimum MSI values for different market sizes are as follows:

Market Size	Small	Medium	Large	Metro
Minimum MSI	5%	4%	3%	2%

No more than one time per year, we may modify your Minimum MSI for the following calendar year by up to one MSI percentage point (i.e., we could increase a medium market Minimum MSI to 5% one year and then to 6% another).

You will be in default under the Franchise Agreement if you fail to achieve the Minimum Entry Door Purchases after the 5<sup>th</sup> year anniversary of your Franchise Agreement. “Minimum Entry Door Purchases,” means purchasing the minimum dollar amount of entry doors from authorized vendors per calendar year. The Minimum Entry Door Purchase value is \$25,000. If the default is repeated in consecutive years or occurs two times in a three-year period, then we can terminate your Franchise Agreement.

Otherwise, exclusivity does not depend on achieving a certain sales volume, market penetration or any other such contingency.

**Modification of Territorial Rights.** At renewal of the Franchise Agreement, we can modify your Territory under the following conditions:

- If your Territory is at least two counties and you have not achieved the Minimum MSI for your market size during the two years prior to the expiration of the initial term of the Franchise Agreement, then we can remove the underperforming county(ies) from your Territory.
- If the number of owner-occupied homes in your Territory increases by more one million homes compared to the number of owner-occupied homes in the Territory as of the date you sign your Franchise Agreement, then upon renewal of your Franchise Agreement we



have the right to require you to establish one or more Satellites within the Territory. Instead of establishing a Satellite, you may instead elect to relinquish a portion of the Territory.

The Territory may also be modified by mutual agreement or if you default under the Franchise Agreement. Otherwise, we cannot modify your Territory during the term of the Franchise Agreement.

**Rights Reserved.** Regardless of either proximity to your Territory or your Headquarters or any of your Satellites, or any actual or threatened impact on sales of your Franchised Business, we retain all rights not expressly granted to you, including, among others, to: (a) use the Marks and franchise system in connection with establishing and operating Window World businesses at any location outside the Territory; (b) acquire, establish or operate, without using the Marks, any business of any kind at any location anywhere in the world (including within the Territory); (c) use the Marks in connection with soliciting or directing advertising or promotional materials to customers anywhere in the world (including within the Territory); and (d) with or without using the Marks, solicit or make sales anywhere in the world (including within the Territory) using alternate channels of distribution, including but not limited to the internet. We do not currently solicit or accept orders in your Territory but reserve the right to do so in the future. We will not be obligated to provide you with any compensation for soliciting or accepting orders in your Territory or for the exercise of any of our other reserved rights.

**Your Orders Inside and Outside of your Exclusive Territory.** You will have the right to sell our approved products and services to residential and light commercial customers who have locations in your Territory. You may sell only at the Headquarters, Satellites, and at customer locations within the Territory. You may not sell products and services by other channels of distribution, such including mail order, telemarketing, delivery sales, internet sales, and catalog sales.

You have no right to market or sell in the territory of another Window World business. If you sell outside your Territory without our prior written permission or without compliance with systemwide policy, you will be violating your Franchise Agreement and subject to fines, among other remedies. There are additional fines that can be imposed if you market or sell in the exclusive territory of another Window World business. These types of violations of the Franchise Agreement can result in termination.

Currently, we have a policy that permits you to offer and sell products and services to customers who are located in a “Gray Area”, meaning the customer is (i) outside of your Territory and (ii) outside the territory of any other Window World business, if you follow our then-current policies and procedures for such business activities. We can revoke this policy or any specific permissions we give you at any time, in our sole discretion. By marketing or selling in this Gray Area, you do not acquire any right or preference to the Gray Area and the Gray Area at all times remains ours until we establish a franchise or corporate location in the Gray Area. You market and sell in Gray Area at your own risk. We reserve the right at any time to sell, grant and/or assign a license to any Gray Area without notice to any franchisee that may be marketing and/or selling in the Gray Area. You shall immediately cease marketing and selling in the Gray Area once it is granted as a territory or if we change our policy on Gray Areas and provide us with all customer information. You will

be responsible for all installation service and warranty obligations for the customers to whom you sold product and services in the Gray Area until the time that those locations are incorporated into the territory of a franchisee and that franchisee commences operations.





**Use of Alternate Trademark.** In some cases, such as those discussed in the Limitations on use of Trademark section of Item 13 below, we may permit you to operate a Franchised Business selling the same products and services as the other franchisees (namely exterior remodeling products) under the World of Windows® or another Mark of our designation, if the Window World name is unavailable in the area in which you will operate due to competing businesses operating in the area whose use of the Window World trademark predates our use of the Marks. We do not own or operate any World of Windows® businesses. A Franchised Business using an alternate name will execute our standard Franchise Agreement and will abide by the same practices and procedures as all other Window World franchisees, meaning that, subject to our general reserved rights, the World of Windows® business will not be able to market, solicit, or sell products in the Territories of other Window World franchisees. We are still the franchisor for these businesses and will operate at the same office as we do for Window World franchisees and will maintain the same principal address. The Territory granted to our franchisees, regardless of the mark used by the franchisee to operate, remains exclusive to the franchisee. If there is any confusion or conflict between the franchisees using different Marks (whether regarding franchisor support, territory, customers, or another topic), we will seek to resolve them informally and, if necessary, through the dispute resolution provisions in the Franchise Agreement. Otherwise, we nor our affiliates franchises, or plans to operate or franchise, a business under a different trademark that will sell products and services similar to those that your Franchised Business will. We reserve all rights to do so in the future.

### ITEM 13: TRADEMARKS

**Principal Trademarks.** WW International owns all of the Marks used by us and our franchisees. WW International has granted us the exclusive license to use and sublicense all of WW International's intellectual property that is or may be associated with the Marks in the United States of America, Mexico, and Canada ("WW International License Agreement"), which license continues until either side terminates by delivering written notice to the other or an earlier breach occurs. Upon termination, existing franchise agreements would be automatically assigned to WW International and remain in force. All rights in and goodwill from the use of our Marks ultimately accrue to WW International as the trademark owner.

Upon execution of the Franchise Agreement, we will sublicense to you the limited right to use the following principal Marks in your Franchised Business, which are all registered on the Principal Register of the United States Patent and Trademark Office:

	REGISTRATION NUMBER	EFFECTIVE DATE OF REGISTRATION	MARK
1.	3998196	July 19, 2011	WINDOW WORLD

	REGISTRATION NUMBER	EFFECTIVE DATE OF REGISTRATION	MARK
2.	4842197	October 27, 2015	WINDOW WORLD
3.	3599976	March 31, 2009	The Original \$189 Guys
4.	2805812	January 13, 2004	SOLARZONE
5.	3016669	November 22, 2005	WORLD OF WINDOWS
6.	4198596	August 28, 2012	WINDOW WORLD CARES
7.	4198597	Aug. 28, 2012	
8.	3528433	November 4, 2008	Not only do we stand behind our windows we stand on them
9.	5992800	February 18, 2020	AMERICA'S EXTERIOR REMODELER
10.	6043048	April 28, 2020	
11.	6043047	April 28, 2020	
12.	6043049	April 28, 2020	
13.	5814779	March 12, 2019	IMPROVING HOMES. CHANGING LIVES.

As of the issuance date of this disclosure document, we have filed the renewal applications for all Marks eligible for renewal. Likewise, we have filed all necessary affidavits of use.

Your right to use the Marks is derived solely from a Franchise Agreement entered into between you and us for the purpose of operating a Franchised Business. You must follow our rules and regulations with respect to the use of the Marks. You may not use any Mark in connection with any other business or activity. You cannot use any of the Marks or any other marks, names, or indicia of origin that are or may be confusingly similar to the Marks as part of a corporate name or other legal name. After the termination, non-renewal, transfer, or expiration of the Franchise Agreement, you may not, except with respect to Franchised Businesses operated by you according to Franchise Agreements granted by us, use the Marks for any purpose.

**Material Determinations and Pending Proceedings.** There are no currently effective material determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court. There are currently no pending infringement, opposition, or cancellation proceedings related to the above-listed Marks.

### **Pending Actions**

Window World International, LLC and Window World, Inc. v. Jill O'Toole, James T. Lomax III, Window World of St. Louis, Inc., and Window World of Springfield/Peoria, Inc. (Case No. 19-CV-02363), United States District Court for the Eastern District of Missouri (2019). On October 23, 2019, we, along with Window World International, LLC, filed a complaint against defendants, existing franchisees of Window World and one of their employees, Jill O'Toole, alleging claims for trademark infringement and dilution of our federally registered trademarks and common law marks, and a related claim for unfair competition related to the misappropriation of our trademarks. By order dated November 30, 2020, the court dismissed the false advertising and trademark dilution claims but denied the defendants' motion to dismiss the trademark infringement claim. By that same order, the court dismissed O'Toole as a defendant and stayed the litigation pending determination of the scope of the defendant's license to use our trademarks in *Window World of St. Louis, Inc., et al. v. Window World, Inc., et al.* (discussed above). On December 30, 2020, we, along with Window World International, LLC, gave notice of our appeal to the United States Court of Appeals for the Eighth Circuit of the order staying litigation. By order dated January 7, 2022, the Eighth Circuit dismissed the appeal for lack of jurisdiction. As a result, this action is stayed pending the final adjudication of all claims asserted in Window World of St. Louis, Inc., et al. v. Window World, Inc., et al., (15-CVS-2), North Carolina Business Court (2015) and Window World of Baton Rouge, LLC, et al. v. Window World, Inc., et al., (15-CVS-1), North Carolina Business Court (2015).

Window World of St. Louis, Inc.; Window World of Kansas City, Inc.; Window World of Springfield/Peoria, Inc.; James T. Lomax III; and Jonathan Gillette, et al. v. Window World, Inc., Window World International, LLC, and Tammy Whitworth, (15-CVS-2), North Carolina Business Court (2015). On January 2, 2015, some of our franchisees filed a lawsuit against us and Window World International, LLC in Wilkes County (NC) Superior Court alleging that we repudiated a purported settlement agreement and seeking to have a declaratory judgment entered regarding the existence of the purported settlement agreement, issuance of an injunction to force us to sign the settlement agreement and requiring us to enter into a new franchise agreement with plaintiffs

("Settlement Claims"). In the alternative, the plaintiffs seek damages from us for: our alleged failure to provide them with a copy of a Franchise Disclosure Document, alleged fraudulent conveyance of our intellectual property (including our Marks) to Window World International, LLC, alleged breach of contract, alleged antitrust violations, alleged breach of the covenant of good faith and fair dealing, alleged fraud, alleged negligent misrepresentation, alleged violations of the North Carolina Unfair and Deceptive Trade Practices Act, and alleged unjust enrichment. This lawsuit has been designated as a Mandatory Complex Business Case and has been assigned to the North Carolina Business Court. After the Court ordered the plaintiffs to join another franchisee, James Roland, in the Settlement Claims, and plaintiffs failed to so do, the Court dismissed without prejudice the plaintiffs' Settlement Claims in the action. In 2016, the Court dismissed with prejudice plaintiffs' antitrust-related claims. On January 11, 2017, the plaintiffs filed a Third Amended Complaint wherein they added Tammy Whitworth as a defendant. We dispute the allegations in plaintiffs' Third Amended Complaint and continue to vigorously defend ourselves in the litigation.

Window World of Baton Rouge, LLC; Window World of Dallas, LLC; Window World of Tri State Area, LLC; and James A. Roland v. Window World, Inc., Window World International, LLC, and Tammy Whitworth, (15-CVS-1), North Carolina Business Court (2015). On January 2, 2015, Window World of Baton Rouge, LLC, Window World of Dallas, LLC, Window World of Tri State Area, LLC, and James A. Roland (our franchisees), filed a lawsuit against us and Window World International, LLC in Wilkes County (NC) Superior Court for an alleged failure to provide plaintiffs with a copy of a Franchise Disclosure Document, alleged breach of contract, alleged antitrust violations, alleged breach of the covenant of good faith and fair dealing, alleged fraud in the inducement, alleged fraud, alleged negligent misrepresentation, alleged violations of the North Carolina Unfair and Deceptive Trade Practices Act, alleged fraudulent conveyance of trademarks to Window World International, LLC, and alleged unjust enrichment. The Complaint states that it seeks relief in the alternative to the relief the same plaintiffs sought in another previously filed lawsuit in Louisiana. This lawsuit has been designated as a Mandatory Complex Business Case and has been assigned to the North Carolina Business Court. In 2016, the Court dismissed with prejudice plaintiffs' antitrust-related claims. On January 11, 2017, the plaintiffs filed a Third Amended Complaint wherein they added Tammy Whitworth as a defendant. We dispute the allegations in plaintiffs' Third Amended Complaint and continue to vigorously defend ourselves in the litigation.

Other than the foregoing matters, there is no pending material federal or state court litigation regarding our use or ownership rights in, or right to license the above-listed Marks.

**Limitations on use of Trademark(s).** We have entered into an agreement with Window World & Siding Co, Inc., in Charlotte, North Carolina which prohibits our franchisees from conducting business by using the Window World® mark in the following counties: Mecklenburg County, NC; Gaston County, NC; Union County, NC; Cabarrus, County, NC; York County, SC; and those portions of Iredell County, NC located within the Mooresville City limits or south of Highway 150. This agreement affects the franchisees' ability to do business as Window World®, however, the franchisee may conduct business as World of Windows® or under another Mark we designate. The agreement does not have an expiration date but may be modified or cancelled with the consent of both parties.

**Modifications to the Trademarks and Alternate Trademarks.** We reserve the right to change and revise the Marks and require you to use substitute or alternate trademarks in connection with the Franchised Business. You must comply with such change, revision, or substitution and bear all expenses associated with them. You will not be compensated for any such change, nor will you have any alternative rights to use of the former trademarks. If you are required to use alternate Mark, it may increase your expenses.

**Trademark Infringement and Unfair Competition Claims Against Franchisee.** Provided you are compliance with the Franchise Agreement, we will indemnify you for damages assessed against you based upon your use of the Marks. We defend you from claims associated with your authorized use of the Marks. We will protect you against claims of infringement or unfair competition arising as a direct result of your authorized use of the Marks. Otherwise, we have the right but not the obligation to protect your use of the Marks. We or WW International has the right to control any litigation related to these claims.

**Franchisee's Obligation to Notify Us of Trademark Infringement.** You have an obligation to notify us of the use of, or claims of rights to, a trademark identical to or confusingly similar to a trademark we license to you. We or WW International has right but not the obligation to take action (including the right to take no action) in response to such notice. We or WW International has the right to control any litigation related to any trademark license to you.

**Superior Prior Rights to Trademarks or Infringements.** Other than the rights that the business in Charlotte, North Carolina has to use the name "Window World" in the Charlotte region discussed above, we are not currently aware of any other parties who have superior rights to use the Marks.

We know of no infringing use of the Marks which could materially affect your use of them.

#### **ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

You do not receive the right to use an item covered by a patent, patent application, or copyright registration, but we do claim a copyright to certain of our materials, including the Manuals.

There are no current material determinations of the United States Patent and Trademark Office, the United States Copyright Office, or a court regarding these claimed copyrights. There are no agreements that limit the use of these claimed copyrights. We do not know of any copyright infringement that could materially impact you. If you reproduce any items or materials suitable for copyright protection, you must make sure that each item bears a copyright notice in the form specified by us.

We also have certain Confidential Information which is proprietary and which you will have access to as part of your operations of the Franchised Business. The "Confidential Information" includes information, not generally known to the public, in any form, relating to the Franchised Business and its operations, including all trade secrets; all knowledge, know-how, standards, processes, methods, and procedures related to the establishment and operation of the Franchised Business not

generally known to the public; all records pertaining to customers and vendors of, and/or related in any way to, the Franchised Business (such as all names, addresses, phone numbers, email addresses for customers and vendors; customer purchase records; customer measurements; customer preferences; and mail lists); franchisee lists; vendor information; pricing data; sources of supply; technical information about Window World products and services; electronic code, formulas, compositions, inventions, research, designs, advertising materials, and business, sales, and advertising strategies; financial information; business forms and customer contract forms and documents; databases; training materials; knowledge of the franchise system; contracts and agreements; transaction information; negotiations and pending negotiations for the sale of Window World products and services; other proprietary information; and any other data and information that we designate as confidential, including the Manuals.

Confidential Information includes the customer information. We own this information and grant you a license to use it to operate your Franchised Business. You must provide the customer information to us upon request. You must not disclose the customer information to any person or entity other than us or sell the customer information to any person or entity without our express written consent.

You must use the Confidential Information only in the manner required by us and in no other manner. You must share Confidential Information with your officers and employees or contractors only to the extent they have a “need to know” to perform their jobs. You must fully and strictly comply with all security measures required by us for maintaining the confidentiality of the Confidential Information. Each owner (and his or her spouse) and officers of the Franchised Business and each person (including employees or contractors) who has access to the Confidential Information must sign our then-current form of confidentiality agreement.

If you or your owners, officers, managers, independent contractors, or employees conceive, invent, create, design and/or develop any ideas, techniques, methods, processes or procedures, products, packaging or other concepts and features directly relating to operations, business practices or the manufacturing, production, marketing or sale of Window World products, or related products in connection with the Franchised Business (“Innovations”), you (or they) will be deemed to have assigned all of your (or other) rights, title and interests in the Innovations, including any intellectual property rights, to us. Each of these people and parties must cooperate with us in connection with protecting the Innovations, including executing any and all instruments and do any and all acts necessary to establish our ownership of the Innovations.

You will not have the exclusive right to use the Innovations or any of our patents, patent applications, copyrights, or Confidential Information, nor will you acquire, by use or otherwise, any right, title, or interest in or to them, other than as expressly contained in, and limited by, the Franchise Agreement. Your right to use the Innovations, claimed subject matter of any patents or patent applications, copyrights, and the Confidential Information is limited and temporary. Upon expiration, non-renewal, transfer, or termination of the Franchise Agreement, you may not use the Innovations, claimed subject matter of any patents or patent applications, copyrights or the Confidential Information in any manner or for any purpose.

You must immediately notify us of any conduct that could constitute infringement of or challenge to the Innovations, patents or patent applications, copyrights, and the Confidential Information. We or our affiliate will decide, in their sole discretion, whether to institute any action (or no action) in connection with infringement of or challenge to the Innovations, patents or patent applications, copyrights, or Confidential Information and will control any proceedings and litigation. We are not required to protect your right to use the Innovations, the patents or patent applications, the copyrights, or the Confidential Information. We will not indemnify you for any use of the Innovations, claimed subject matter of any patents or patent applications, copyrights, or Confidential Information nor are we obligated to participate in a defense to your use of them.

We may, in our sole discretion, modify or discontinue use of the Innovations, claimed subject matter of any patents or patent applications, copyrights, and the Confidential Information and/or make any substitutes we desire. If we decide to do so, you must do so also, at your expense.

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

We require that you form a limited liability company, corporation, or similar entity to operate the Franchised Business. We require you to either appoint one Operating Owner or an Operations Manager to be involved in the day-to-day operations and on-site supervision of the Franchised Business. An Operating Owner must have at least 10% ownership interest in the business entity. An Operations Manager is not required to have any ownership interest in the Franchised Business but may. The Operating Owner or Operations Manager must devote full time and best efforts to the management, supervision, and operations of the Franchised Business and have full authority to direct the day-to-day business operations. Any Operations Manager or Operating Owner must complete our initial training requirements to our satisfaction and participate in and complete to our satisfaction all additional training as may be reasonably required. Completing the training to our satisfaction means having complete attendance and obtaining a passing score on the training assessments. The Operations Manager must pass a background check and have at least one year of experience in home improvement industry sales or management.

We permit certain owners to be designated “Non-Operating Owners” when such owners agree not to be involved in the operations of the Franchised Business and agree not to participate in any training we may provide. Non-Operating Owners will sign the Non-Operating Owner Amendment to the Franchise Agreement. We recommend that even if the Franchised Business operates with all Non-Operating Owners and a non-owner Operations Manager, that all owners still have involvement with and understanding of the Franchised Business.

All owners, their spouses, and, as applicable, any non-owner Operations Manager, must sign our then-current forms of confidentiality, non-compete, and non-solicitation agreements. All owners of 5% or more in the Franchised Business and their spouses or domestic partners must also execute a Limited Personal Guaranty (see Attachment 3 to Exhibit A). The effect of these agreements on an owner’s spouse is to require the spouse to comply with the same confidentiality, non-competition, and non-solicitation covenants as an owner. These restrictions include limitations on disclosing confidential information, providing competing services, and soliciting or diverting customers, prospective customers, and vendors. The spouse’s obligations under the Limited



Personal Guaranty include guaranteeing repayment of any customer deposits or fulfilling all obligations related to the customer deposits at the time of termination, expiration, non-renewal, or transfer of the Franchise Agreement or upon bankruptcy or similar events of the franchisee.

Additionally, each entity will have a Designated Contact who will be principally responsible for communicating with us about the Franchised Business. The Designated Contact must have at least 10% equity in the entity. The Operating Owner will be the Designated Contact. If you do not have an Operating Owner, you must appoint an owner to fulfill this role.

## **ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

Under the Franchise Agreement, you may sell only the products and services authorized for your franchise as well as all of the products and services we require. The authorized products and services may be obtained only from vendors who we approve. The Franchise Agreement also prohibits you from offering any products and services that are not approved by us. We impose these requirements to control the quality and uniformity of the products and services you and other franchisees may offer through use of the Marks. We have the right to add and delete items from the list of approved products and services. There are no limits on our right to make these changes. We do not currently, but have the right in the future to, specify minimum or maximum prices that can be charged.

You will have the right to sell our approved products and services to residential and light commercial customers who have locations in your Territory. You may sell only at the Headquarters, Satellites, and at customer locations within the Territory. You may not sell products and services by other channels of distribution, such including mail order, telemarketing, delivery sales, internet sales, and catalog sales.

You have no right to market or sell in in the territory of another Window World business. If you sell outside your Territory without our prior written permission or without compliance with systemwide policy, you will be violating your Franchise Agreement and subject to fines. There are additional fines that can be imposed if you market or sell in the exclusive territory of another Window World business. These types of violations of the Franchise Agreement can result in termination.

The products you sell to customers will typically carry a warranty through the manufacturers or fabricators. You must honor our labor guarantee and warranty policies for installation, repairs, and replacements as set forth in our Manuals. We do not charge you or the customer to participate in our warranty or labor guarantee program. However, under this program, you will be responsible for all labor and non-product materials (i.e., caulking) cost associated with warranty repairs in your Territory even if you did not make the original sale. This warranty policy could require you to provide the labor and related materials for the replacement of an approved Window World product that was sold by another business in your Territory prior to commencing operations of your Franchised Business. See Item 8 for details.

Unless you receive prior written permission from us, you must not use any Headquarters or Satellites for any purpose other than the operation of the Franchised Business. We may, but are

not obligated to, approve use of your facility to operate a business complementary to the Franchised Business if there is no co-branding and if you meet certain requirements for segregation of the businesses' revenue and records.

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

### THE FRANCHISE RELATIONSHIP

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

Provision	Section In Franchise Or Other Agreement	Summary
a. Length of the franchise term	Franchise Agreement 2(a)	The initial term of your Franchise Agreement is 10 years.
b. Renewal or extension of the term	Franchise Agreement 2(b)	If you timely satisfy all conditions for renewal, you may enter into renewal franchise agreement for an additional 10-year term.
c. Requirements for franchisee to renew or extend	Franchise Agreement 2(b)	<p>You must give written notice of your intent to renew within a specific window of time and be in compliance with the Franchise Agreement and your other obligations, including payment of all amounts. You must upgrade your business to our then-current standards, provided you are not required to spend more than \$50,000 as part of the upgrade. You must agree to the terms of the then-current franchise agreement then being offered and sign a general release. You must not be in default nor have more than 3 notices of default during any 18-month period during the term. You must have the right to continue possession of the Headquarters for at least the first 12 months of the renewal term. All Operating Owners or Operations Managers must comply with the then-current training requirements. You must provide us with all information and forms that we reasonably designate. You must have achieved certain minimum performance standards. There is no renewal fee. You will be required to travel at your expense to our headquarters to execute the renewal documents.</p> <p>On “renewal,” you may be asked to sign a franchise agreement with materially different terms and conditions than the original contract. The protected territory, fees, and performance standards could be different, among other items.</p>

<b>Provision</b>	<b>Section In Franchise Or Other Agreement</b>	<b>Summary</b>
d. Termination by franchisee	Franchise Agreement 14(d)	If you are in compliance with your obligations, you can terminate the Franchise Agreement by delivering 6 months written notice to us. You must comply with our instructions for the orderly wind-down of the Franchised Business, among other things. You will be required to abide by your post-termination obligations including the non-compete and confidentiality provisions. This provision is subject to state law.
e. Termination by franchisor without cause	Franchise Agreement 11(h)	If upon conclusion of a franchisee ownership transfer, an owner no longer has any interest in the franchisee business entity, then the franchise relationship between us and that former owner automatically terminates, whether or not such former owner signed the Franchise Agreement as an individual owner.  Otherwise, we cannot terminate without cause.
f. Termination by franchisor with cause	Franchise Agreement 14(a) to (c)	Section 14(a) describes causes for automatic termination. Section 14(b) describes cause for termination upon notice, without an opportunity to cure. Section 14(c) describes causes for termination after notice after an opportunity to cure.
g. "Cause" defined – curable defaults	Franchise Agreement 14(c)	Any non-compliance with the terms of the Franchise Agreement or our system standards and Manuals; failure to promptly pay money owed; failure to submit financial or other information; commencing operations without receiving our prior approval; operations result in health or safety hazards; misuse or unauthorized use of system, confidential information, and marks; inadvertently understating financial information; failure to promptly pay creditors and vendors or failure to maintain good credit rating; unauthorized out of territory activities; failure to comply with requirements of the computer systems; unacceptable customer ratings; failure to provide certification of financial standards being achieved; abuse of customers and the like; failure to obtain prior permission before establishing a site for operations; loss of required license; violation of applicable laws; failure to provide required telephone numbers that can be contacted in the way we designate; other defaults under other agreements that can be cured; breach of obligations under warranty programs; individual owners have assignments for

Provision	Section In Franchise Or Other Agreement	Summary
		creditors, bankruptcy, insolvency, and similar events; failure to comply with all transfer conditions.
h. “Cause” defined – non-curable defaults	Franchise Agreement 14(a) to (b)	The following occur with respect to the business entity: assignment for creditors, bankruptcy, dissolution, insolvency, appointment of a receiver, and similar events; abandonment of the business or failure to respond for more than 5 days; unauthorized transfers; failure to timely transfer after a death or disability; two times within a 12 month period or three times within an 18 month period you receive a notice of default; you fail to comply with any covenants; you make misrepresentations or breach any warranty; knowingly or intentionally making or submitting false books and records; acts or omissions resulting in material impairment to the goodwill of the network, system, and trademarks; failure to deal honestly and fairly with employees, vendors, or customers; failure to comply with or rectify issues identified in government order; failure to open within 3 months of the execution of the agreement; operating under any unapproved trademark; violating any data privacy law or requirements; certain events that occur within 12 months of the execution of the franchise agreement relating to training, representations and warranties, or pre-opening obligations; business entity becomes insolvent; criminal conduct, convictions, or the like that are not resolved within a certain period of time by existing the business; four or more determinations of territory infringement in a two year period; failure to offer and sell all required products and services; multiple failure to achieve the Minimum MSI and/or Minimum Door Entry Purchases; any default under other agreements with us that are not timely cured; other non-curable defaults.
i. Franchisee’s obligations on termination/non-renewal	Franchise Agreement 15	Cease to operate; cease to use our system and confidential information; cease using all of our trademarks; return our property to us; cancel any assumed names; pay all amounts due to us, including amounts arising subsequent to termination or non-renewal; comply with your confidentiality and indemnification obligations; comply with the post-term non-solicitation and non-compete covenants; deidentify the business as we require; comply with our

<b>Provision</b>	<b>Section In Franchise Or Other Agreement</b>	<b>Summary</b>
		instructions related to computer systems and data; assign to us or grant possession of your business operation sites; cooperate with our right to purchase the business assets; tender money received for any uncompleted orders to us; cooperate with our rights to assume ownership and access to online presences, registration, license, phone numbers, advertisements, email addresses, etc.
j. Assignment of contract by franchisor	Franchise Agreement 11(a)	We may freely assign our rights and duties under the Franchise Agreement without your consent.
k. "Transfer" by franchisee – defined	Franchise Agreement 11(b)	The definition of transfer includes issuance, sale, assignment, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by judicial order, merger, consolidation share exchange, transfer by operation of law, and structural and ownership changes in the business entity.
l. Franchisor approval of transfer by franchisee	Franchise Agreement 11(c) to (d)	You may not engage in any transfer without our prior consent. Failure to obtain our consent is cause for termination.
m. Conditions for franchisor approval of transfer	Franchise Agreement 11(c) to (d)	You must be in full compliance with the Franchise Agreement. The transferee and any remaining owners of the franchise must sign the then-current form of franchise agreement and related agreements. Any exiting owner must sign our form of termination agreement. You must execute a general release. The transferee must provide us with all required documents, assume your obligations, complete our required training, and meet our then-current qualifications for new franchisees. The transferor must comply with continuing indemnification, confidentiality, non-compete, and non-solicitation obligations post-transfer. You must pay us our then-current transfer fee and, if applicable, the seller's transfer obligation deposit. You (or the transferee with our permission) must upgrade your business to our then-current standards provided you are not required to spend more than \$50,000 as part of the upgrade. A deposit is due for certain kinds of transfer transactions to ensure that all transfer obligations are completed by the transferor and can be refunded if requirements are met. Under certain kinds of transfers, the transferor must pay off all liabilities to

<b>Provision</b>	<b>Section In Franchise Or Other Agreement</b>	<b>Summary</b>
		vendors. If a transfer is to an approved immediate family member, no transfer fee is applicable and we will not have a right of first refusal.
n. Franchisor's right of first refusal to acquire franchisee's business	Franchise Agreement 11(c)	If you propose to engage in a transfer, we have a 45 day right of first refusal. We may assign it to another. We may substitute value for cash. If a transfer is to an approved immediate family member, we will not have a right of first refusal.
o. Franchisor's option to purchase franchisee's business	Franchise Agreement 15(b)	We may purchase your business assets for fair market value (as defined in the Franchise Agreement) upon termination, non-renewal, or expiration of the Franchise Agreement.
p. Death or disability of franchisee	Franchise Agreement 11(e)	Upon death or disability of an owner, the Franchised Business must be transferred within 9 months. During the period between death or disability and the transfer, the business must be operated by an Operating Owner or Operations Manager. The transfer will be subject to all the typical terms of a transfer. No transfer fee is due if the transfer is to an immediate family member.
q. Non-competition covenants during the term of the franchise	Franchise Agreement 12(b), (d), (f); Nondisclosure and Non-Competition Agreement; Nondisclosure and Non-Solicitation Agreement	During the term of the Franchise Agreement, you cannot (i) engage in certain kinds of solicitations of vendors or customers and (ii) engage in providing competing services and products or be employed by parties doing so, loan money to them, or have an interest in them.  Your individual owners and their spouse or domestic partners and any Operations Managers shall enter into agreements containing similar restrictions.
r. Non-competition covenants after the franchise is terminated or expires.	Franchise Agreement 12(c), (d), (e), (g); Nondisclosure and Non-Competition Agreement; Nondisclosure and Non-Solicitation Agreement	For a period of 2 years following the termination, expiration, or non-renewal of the Franchise Agreement, you cannot (i) engage in certain kinds of solicitations of vendors or customers or (ii) engage in providing competing services and products or be employed by parties doing so in certain capacities where you would disclose Confidential Information, loan money to them, or have an interest in them. These activities are prohibited in the area that was the Territory, any area where you provided products or services, or any other Window World business's territory. This provision is subject to state law.

<b>Provision</b>	<b>Section In Franchise Or Other Agreement</b>	<b>Summary</b>
		Your individual owners and their spouses or domestic partners and any Operations Managers shall enter into agreements containing similar restrictions.
s. Modification of the agreement	Franchise Agreement 20(c), (e)	The Franchise Agreement will not be modified unless it is modified through an agreement signed by both you and us or if a change we propose is agreed to by 80% of the then-current franchisees.
t. Integration / merger clause	Franchise Agreement 20(c)	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. Notwithstanding the foregoing, nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document, its exhibits, and amendments.
u. Dispute resolution by arbitration or mediation	Franchise Agreement 18(a)	You must bring all disputes to us prior to bringing a claim before a third party. After exhausting this internal dispute resolution procedure, at our option, all claims or disputes between you and us must be submitted first to mediation in North Wilkesboro, North Carolina in accordance with the American Arbitration Association's Commercial Mediation Rules. This provision is subject to state law.
v. Choice of forum	Franchise Agreement 18(b)	All claims not subject to informal resolution or mediation must be brought before a court of competent jurisdiction for Wilkes County, North Carolina. This provision is subject to state law.
w. Choice of law	Franchise Agreement 18(g)	The Franchise Agreement is exclusively governed and interpreted by the laws of the State of North Carolina. This provision is subject to state law.

## **ITEM 18: PUBLIC FIGURES**

We do not use any public figures to promote our franchise 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, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a



franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

**Background.** This Item 19 sets forth certain historical data as provided by our franchisees. This data is for the period January 1, 2023 to December 31, 2023 for gross sales and gross window and patio door unit sales. Our franchisees have voluntarily submitted this data or the vendors from whom franchisees purchase windows have provided it to us. Franchisees use the accounting procedures they independently select. As used in this Item 19, “gross sales” means the total sales generated by the business without any deductions. “Gross sales” does not include deductions for sales tax paid to taxing authorities. As used in this Item 19, “gross window and patio door unit sales” refers to the number of windows and patio doors sold by the business. “Gross window and patio door unit sales” does not refer to the numbers of other exterior remodeling products a franchisee may sell, such as entry doors, siding, garage doors, roofing, etc.

The data are presented according to market size and type of owner. Territories are classified as: (1) small market; (2) medium market; (3) large market; or (4) metro market. Small market territories have 150,000 or less owner-occupied households within the territory. Medium market territories have between 150,001 and 250,000 owner-occupied households within the territory. Large market territories have between 250,001 and 550,000 owner-occupied households within the territory. Metro market territories have 550,001 or more owner-occupied households within the territory. Some of our franchisees who own multiple units report their numbers to us on a consolidated basis. We refer to these markets as “combined markets.” We display this data in separate tables as we are unable to breakdown the data into distinct territories. Owner-occupied households is determined according to data reported by the United States Census Bureau for 2020. As of the date of this disclosure document. We have a reasonable basis to believe this data reflects the current performance of the franchise system as a whole.

**Franchisee Gross Sales – 2023.** The following table presents the annual gross sales reported by Window World franchisees which were open and operating for the entire 2023 calendar year. 209 franchisees operated the entire 12-month period of 2023. 191 of those franchisees share the common characteristic that they operate and report sales figures as a single licensed territory. Of those 191 franchisees, 191 reported gross sales figures for the 2023 calendar year to us. 18 franchisees operated and reported as combined markets for the 2023 calendar year. The outlets in this sample do not differ materially from those being offered in the disclosure document. The total systemwide sales of all our franchisees (including those operating combined markets) for 2023 was \$1,189,629,477.17.

#### *Small Market Franchisee Businesses – 2023 Results*

69 small market businesses reported total gross sales for a single market for 2023. The total gross sales for these small market businesses were \$218,686,467.10, ranging from a low of \$441,980.75 to a high of \$8,978,749.77. Average gross sales for the small market were \$3,169,369.09. Median sales for the small market were \$2,716,897.27. 30 businesses or 43% of reporting businesses attained or surpassed the average gross sales for the small market. A breakdown of small markets are as follows:

<b>Small Market Gross Sales</b>	<b>Number of Franchisees Falling Within Stated Range</b>	<b>Number of Franchisees Exceeding Stated Range</b>	<b>Small Market Total</b>
\$0 - \$999,999	5	64	5
\$1M - \$1,999,999	17	47	22
\$2M - \$2,999,999	15	32	37
\$3M - \$3,999,999	15	17	52
\$4M - \$4,999,999	6	11	58
\$5M - \$5,999,999	2	9	60
\$6M - \$6,999,999	6	3	66
\$7M - \$7,999,999	2	1	68
\$8M-\$8,999,999	1	0	69

*Medium Market Franchisee Businesses – 2023 Results*

56 medium market businesses reported total gross sales for a single market for 2023. The total gross sales for these medium market businesses were \$314,789,308.87, ranging from a low of \$960,695.38 to a high of \$18,908,487.52. Average gross sales for the medium market were \$5,621,237.66. Median sales for the medium market were \$5,416,196.81. 27 businesses or 48% attained or surpassed the average gross sales for the medium market. A breakdown of medium markets are as follows:

<b>Medium Market Gross Sales</b>	<b>Number of Franchisees Falling Within Stated Range</b>	<b>Number of Franchisees Exceeding Stated Range</b>	<b>Medium Market Total</b>
\$0 - \$999,999	1	55	1
\$1M - \$1,999,999	4	51	5
\$2M - \$2,999,999	11	40	16
\$3M - \$3,999,999	3	37	19
\$4M - \$4,999,999	6	31	25
\$5M - \$5,999,999	10	21	35
\$6M - \$6,999,999	6	15	41
\$7M - \$7,999,999	4	11	45
\$8M - \$8,999,999	1	10	46
\$9M – 9,999,999	5	5	51
\$10M - \$10,999,999	2	3	53
\$11M - \$11,999,999	0	3	53
\$12M - \$12,999,999	1	2	54
\$13M - \$16,999,999	0	2	54
\$17M - \$17,999,999	1	1	55
\$17M - \$18,999,999	1	0	56

*Large Market Franchisee Businesses – 2023 Results*

45 large market businesses reported total gross sales for a single market for 2023. The total gross sales for these large market businesses were \$285,942,792.57, ranging from a low of \$581,650.73 to a high of \$49,664,480.39. Average gross sales for the large market were \$6,354,284.28. Median sales for the large market were \$5,261,082.63. 17 businesses or 38% of reporting businesses attained or surpassed the average gross sales for the large market. A breakdown of large markets are as follows:

<b>Large Market Gross Sales</b>	<b>Number of Franchisees Falling Within Stated Range</b>	<b>Number of Franchisees Exceeding Stated Range</b>	<b>Large Market Total</b>
\$0 - \$999,999	1	44	1
\$1M - \$1,999,999	4	40	5
\$2M - \$2,999,999	2	38	7
\$3M - \$3,999,999	3	35	10
\$4M - \$4,999,999	8	27	18
\$5M - \$5,999,999	10	17	28
\$6M - \$6,999,999	2	15	30
\$7M - \$7,999,999	1	14	31
\$8M - \$8,999,999	4	10	35
\$9M - \$9,999,999	0	10	35
\$10M - \$10,999,999	3	7	38
\$11M - \$11,999,999	3	4	41
\$12M - \$12,999,999	3	1	44
\$13M - \$19,999,999	0	0	44
\$20M - \$20,999,999	1	0	45

*Metro Market Franchisee Businesses – 2023 Results*

21 metro market businesses reported total gross sales for a single market for 2023. The total gross sales for these metro market businesses were \$244,089,146.52, ranging from a low of \$1,034,534.11 to a high of \$44,893,255.85. Average gross sales for the metro market were \$11,623,292.69. Median sales for the metro market were \$5,716,394.67. 7 businesses or 33% of reporting businesses attained or surpassed the average gross sales for the metro market. A breakdown of metro markets are as follows:

<b>Metro Market Gross Sales</b>	<b>Number of Franchisees Falling Within Stated Range</b>	<b>Number of Franchisees Exceeding Stated Range</b>	<b>Metro Market Total</b>
\$1M - \$1,999,999	3	18	3
\$2M - \$2,999,999	4	14	7
\$3M - \$3,999,999	0	14	7
\$4M - \$4,999,999	1	13	8

<b>Metro Market Gross Sales</b>	<b>Number of Franchisees Falling Within Stated Range</b>	<b>Number of Franchisees Exceeding Stated Range</b>	<b>Metro Market Total</b>
\$5M - \$5,999,999	3	10	11
\$6M - \$6,999,999	0	10	11
\$7M - \$7,999,999	1	9	12
\$8M - \$8,999,999	0	7	12
\$9M - \$9,999,999	2	7	14
\$10M - \$11,999,999	0	7	14
\$12M - \$12,999,999	1	6	15
\$13M - \$14,999,999	0	6	15
\$15M - \$15,999,999	1	5	16
\$16M - \$17,999,999	0	5	16
\$18M - \$18,999,999	1	4	17
\$19M - \$23,999,999	0	4	17
\$24M - \$24,999,999	2	2	19
\$25M - \$40,999,999	0	2	19
\$25M - \$25,999,999	1	1	20
\$26M - \$43,999,999	0	1	20
\$44M - \$44,999,999	1	0	21

*Combined Market Franchisee Businesses – 2023 Results*

18 franchises reported total gross sales for as combined markets for 2023. These 18 franchises are owned by 7 franchisees. The total gross sales for these combined markets were \$124,482,361.66, ranging from a low of \$4,486,341.88 to a high of \$30,530,565.07. Average gross sales for the combined markets were \$17,783,194.52. Median sales for the combined markets were \$17,044,037.48. 3 of 7 franchisees reporting their markets as combined markets (or 43%), attained or surpassed the average gross sales for the combined markets. A breakdown of combined markets are as follows:

<b>Combined Market Gross Sales</b>	<b>Number of Franchisees Falling Within Stated Range</b>	<b>Number of Franchises and Type of Markets Represented by the Franchisees Falling Within Stated Range</b>	<b>Number of Franchisees Exceeding Stated Range</b>	<b>Combined Market Total</b>
\$4M - \$4,999,999	1	2 (2 medium)	6	1
\$6M - \$6,999,999	1	2 (1 medium, 1 small)	5	2
\$16M - \$16,999,999	1	2 (1 medium, 1 small)	4	3

<b>Combined Market Gross Sales</b>	<b>Number of Franchisees Falling Within Stated Range</b>	<b>Number of Franchises and Type of Markets Represented by the Franchisees Falling Within Stated Range</b>	<b>Number of Franchisees Exceeding Stated Range</b>	<b>Combined Market Total</b>
\$17M - \$17,999,999	1	2 (1 metro, 1 small)	3	4
\$19M - \$19,999,999	1	5 (2 metro, 1 medium, 2 small)	2	5
\$29M - \$29,999,999	1	3 (1 large, 2 medium)	1	6
\$30M - \$30,999,999	1	2 (2 metro)	0	7

**Franchisee Gross Window and Patio Door Unit Sales – 2023.** The following table presents the annual gross window and patio door unit sales reported by Window World’s approved window and patio door vendors for franchisees that were open and operating for the entire 2023 calendar year. 209 franchisees operated the entire 12-month period of 2023. 205 of those franchisees share the common characteristic that they operated and had sales figures reported as a single licensed territory. Of those 205 franchisees, 205 had gross window and patio door unit sales figures for the 2023 calendar year reported to us. 4 franchises operated and were reported as combined markets for the 2023 calendar year. The outlets in this sample do not differ materially from those being offered in the disclosure document. The total systemwide gross window and patio door unit sales of all our franchisees (including those operating combined markets) for 2023 was 1,165,191.

*Small Market Franchisee Businesses – 2023 Results*

68 small market businesses had total gross window and patio door unit sales reported for a single market for 2023. The total gross window and patio door unit sales for these small market businesses were 205,206, ranging from a low of 282 to a high of 9,629. Average gross window and patio door unit sales for the small markets were 3,018. Median sales for the small markets were 2,576. 27 businesses or 39% of reported businesses attained or surpassed the average gross window and patio door unit sales for the small market. A breakdown of small markets are as follows:

<b>Small Market Gross Window and Patio Door Unit Sales</b>	<b>Number of Franchisees Falling Within Stated Range</b>	<b>Number of Franchisees Exceeding Stated Range</b>	<b>Small Market Total</b>
0 – 1,000	4	64	4
1,000 – 1,999	17	47	21
2,000 – 2,999	20	27	41
3,000 – 3,999	10	17	51
4,000 – 4,999	9	8	60

<b>Small Market Gross Window and Patio Door Unit Sales</b>	<b>Number of Franchisees Falling Within Stated Range</b>	<b>Number of Franchisees Exceeding Stated Range</b>	<b>Small Market Total</b>
5,000 – 5,999	3	5	63
6,000 – 6,999	3	2	66
7,000 – 7,999	1	1	67
8,000 – 8,999	0	1	67
9,000 – 9,999	1	0	68

*Medium Market Franchisee Businesses – 2023 Results*

69 medium market businesses had total gross window and patio door unit sales reported for a single market for 2023. The total gross window and patio door unit sales for these medium market businesses were 356,769, ranging from a low of 428 to a high of 15,799. Average gross window and patio door unit sales for the medium markets were 5,171. Median sales for the medium markets were 4,466. 29 businesses or 42% of reported businesses attained or surpassed the average gross window and patio door unit sales for the medium market. A breakdown of medium markets are as follows:

<b>Medium Gross Window and Patio Door Unit Sales</b>	<b>Number of Franchisees Falling Within Stated Range</b>	<b>Number of Franchisees Exceeding Stated Range</b>	<b>Medium Market Total</b>
0 – 1,000	3	66	3
1,000 – 1,999	8	58	11
2,000 – 2,999	10	48	21
3,000 – 3,999	6	42	27
4,000 – 4,999	9	33	36
5,000 – 5,999	10	23	46
6,000 – 6,999	6	17	52
7,000 – 7,999	3	14	55
8,000 – 8,999	4	10	59
9,000 – 9,999	6	4	65
10,000 – 10,999	1	3	66
11,000 – 11,999	0	3	66
12,000 – 12,999	1	2	67
13,000 – 13,999	1	1	68
14,000 – 14,999	0	1	68
15,000 – 15,999	1	0	69

*Large Market Franchisee Businesses – 2023 Results*

44 large market businesses had total gross window and patio door unit sales reported for a single market for 2023. The total gross window and patio door unit sales for these large market businesses were 275,792, ranging from a low of 526 to a high of 22,039. Average gross window and patio

door unit sales for the large markets were 6,268. Median sales for the large markets were 4,456. 14 businesses or 31% of reported businesses attained or surpassed the average gross window and patio door unit sales for the large market. A breakdown of large markets are as follows:

<b>Large Gross Window and Patio Door Unit Sales</b>	<b>Number of Franchisees Falling Within Stated Range</b>	<b>Number of Franchisees Exceeding Stated Range</b>	<b>Large Market Total</b>
0 – 1,000	1	43	1
1,000 – 1,999	5	38	6
2,000 – 2,999	4	34	10
3,000 – 3,999	8	26	18
4,000 – 4,999	5	21	23
5,000 – 5,999	6	15	29
6,000 – 6,999	1	14	30
7,000 – 7,999	1	13	31
8,000 – 8,999	1	12	32
9,000 – 9,999	4	8	36
10,000 – 10,999	0	8	36
11,000 – 11,999	3	5	39
12,000 – 12,999	2	3	41
13,000 – 13,999	0	3	41
14,000 – 14,999	1	2	42
15,000 – 18,999	0	2	42
19,000 – 19,999	1	1	43
20,000 – 21,999	0	1	43
22,000 – 22,999	1	0	44

*Metro Market Franchisee Businesses – 2023 Results*

24 metro market businesses had total gross window and patio door unit sales reported for a single market for 2023. The total gross window and patio door unit sales for these metro market businesses were 261,792, ranging from a low of 1,355 to a high of 61,909. Average gross window and patio door unit sales for the metro markets were 10,908. Median sales for the metro markets were 4,890. 7 businesses or 29% of reported businesses attained or surpassed the average gross window and patio door unit sales for the metro market. A breakdown of metro markets are as follows:

<b>Metro Gross Window and Patio Door Unit Sales</b>	<b>Number of Franchisees Falling Within Stated Range</b>	<b>Number of Franchisees Exceeding Stated Range</b>	<b>Metro Market Total</b>
1,000 – 1,999	3	21	3
2,000 – 2,999	5	16	8
3,000 – 3,999	1	15	9

<b>Metro Gross Window and Patio Door Unit Sales</b>	<b>Number of Franchisees Falling Within Stated Range</b>	<b>Number of Franchisees Exceeding Stated Range</b>	<b>Metro Market Total</b>
4,000 – 4,999	4	11	13
5,000 – 5,999	1	10	14
6,000 – 8,999	0	10	14
9,000 – 9,999	2	8	16
10,000 – 10,999	1	7	17
11,000 – 11,999	0	7	17
12,000 – 12,999	3	4	20
13,000 – 19,999	0	4	20
20,000 – 20,999	1	3	21
21,000 – 22,999	0	3	21
23,000 – 23,999	1	2	22
24,000 – 44,999	0	2	22
45,000 – 45,999	1	1	23
46,000 – 60,999	0	1	23
61,000 – 61,999	1	0	24

*Combined Market Franchisee Businesses – 2023 Results*

4 franchises had total gross window unit and patio door sales reported as combined markets for 2023. These 4 franchises are owned by 2 franchisees. The total gross window unit and patio door sales for these combined markets were 63,511, ranging from a low of 20,218 to a high of 43,293. Average and median gross window unit and patio door sales for the combined markets were 31,756. 1 of 2 franchisees reporting their markets as combined markets (or 50%), attained or surpassed the average gross window unit and patio door sales for the combined markets. A breakdown of combined markets are as follows:

<b>Combined Market Gross Sales</b>	<b>Number of Franchisees Falling Within Stated Range</b>	<b>Number of Franchises and Type of Markets Represented by the Franchisees Falling Within Stated Range</b>	<b>Number of Franchisees Exceeding Stated Range</b>	<b>Combined Market Total</b>
20,000 – 20,999	1	2 (2 medium)	1	1
43,000 – 43,999	1	2 (2 metro)	0	2

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



The financial performance representations do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Window World franchise. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

**Some units have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much.**

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 outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Legal Department, 118 Shaver Street, North Wilkesboro, North Carolina 28659, (336) 667-2100, the Federal Trade Commission, and the appropriate state regulatory agencies.

## **ITEM 20: OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**SYSTEMWIDE OUTLET SUMMARY**  
**For Years 2021, 2022, and 2023**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
<b>Franchised</b>	2021	203	207	+4
	2022	207	210	+3
	2023	210	210	0
<b>Company-Owned</b>	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
<b>Total Outlets</b>	<b>2021</b>	<b>203</b>	<b>207</b>	<b>+4</b>
	<b>2022</b>	<b>207</b>	<b>210</b>	<b>+3</b>
	<b>2023</b>	<b>210</b>	<b>210</b>	<b>0</b>

**Table No. 2**  
**TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS**  
**(OTHER THAN THE FRANCHISOR)**  
**For Years 2021, 2022, and 2023**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
<b>Delaware</b>	2021	1
	2022	0
	2023	0

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
<b>Florida</b>	2021	1
	2022	2
	2023	1
<b>Kentucky</b>	2021	0
	2022	2
	2023	0
<b>Maryland</b>	2021	1
	2022	0
	2023	1
<b>North Carolina</b>	2021	0
	2022	1
	2023	0
<b>Oklahoma</b>	2021	0
	2022	0
	2023	0
<b>Pennsylvania</b>	2021	1
	2022	0
	2023	0
<b>South Dakota</b>	2021	1
	2022	0
	2023	0
<b>Tennessee</b>	2021	0
	2022	0
	2023	1
<b>Texas</b>	2021	1
	2022	0
	2023	1
<b>Wisconsin</b>	2021	0
	2022	1
	2023	2
<b>Total</b>	<b>2021</b>	<b>6</b>
	<b>2022</b>	<b>6</b>
	<b>2023</b>	<b>6</b>

**Table No. 3**  
**STATUS OF FRANCHISED OUTLETS**  
**For Years 2021, 2022, and 2023**

State	Year	Outlets At Start Of Year	Outlets Opened	Termin- ations	Non- Renewals	Reacquired By Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
Alabama	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Arizona	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Arkansas	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
California	2021	6	1	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Colorado	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	1
	2023	2	1	0	0	0	0	3
Connecticut	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Delaware	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Florida	2021	13	0	0	0	0	0	13
	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	0	13
Georgia	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
Hawaii	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Idaho	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	1	1

State	Year	Outlets At Start Of Year	Outlets Opened	Termin- ations	Non- Renewals	Reacquired By Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
	2023	1	0	0	0	0	0	1
Illinois	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Indiana	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
Iowa	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Kansas	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Kentucky	2021	8	1	0	0	0	0	9
	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
Louisiana	2021	5	0	0	0	0	0	5
	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Maine	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Maryland	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Massachusetts	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Michigan	2021	4	0	1	0	0	0	3
	2022	3	2	0	0	0	0	5
	2023	5	0	0	0	0	1	4
	2023	5	0	0	0	0	1	4
Minnesota	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Mississippi	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3

State	Year	Outlets At Start Of Year	Outlets Opened	Termin- ations	Non- Renewals	Reacquired By Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
	2023	3	0	0	0	0	0	3
Missouri	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Nebraska	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Nevada	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New Hampshire	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New Jersey	2021	2	1	0	0	0	0	3
	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
New Mexico	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New York	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
North Carolina	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	0	10
North Dakota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Ohio	2021	6	1	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Oklahoma	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Oregon	2021	1	0	1	0	0	0	0
	2022	0	0	0	0	0	0	0

State	Year	Outlets At Start Of Year	Outlets Opened	Termin- ations	Non- Renewals	Reacquired By Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
	2023	0	0	0	0	0	0	0
Pennsylvania	2021	13	0	0	0	0	0	13
	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	0	13
Rhode Island	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
South Carolina	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
South Dakota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Tennessee	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
Texas	2021	13	1	1	0	0	0	13
	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	0	13
Utah	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Vermont	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Virginia	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
Washington	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
West Virginia	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Wisconsin	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
	2023	7	0	0	0	0	0	7
TOTAL	2021	203	7	3	0	0	0	207
	2022	207	4	0	0	0	1	210
	2023	210	1	0	0	0	1	210

**Table No. 4**  
**STATUS OF COMPANY-OWNED OUTLETS**  
**For Years 2021, 2022, and 2023**

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
All States	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Totals	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

**Table No. 5**  
**PROJECTED OPENINGS AS OF DECEMBER 31, 2023**  
**For the year 2024**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
California	1	0	0
Idaho	0	1	0
Montana	0	1	0
North Dakota	0	1	0
Oregon	0	1	0
Texas	0	1	0
Washington	0	1	0
<b>Total</b>	<b>1</b>	<b>6</b>	<b>0</b>

Among the attached Exhibits you will find:

Exhibit B-1 LISTING OF CURRENT FRANCHISEES lists the names of all current franchisees and the addresses and telephone numbers of their outlets.

Exhibit B-2 LISTING OF CERTAIN PAST FRANCHISEES lists the name, city, state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

No trademark-specific and/or independent franchise organizations have requested inclusion in this disclosure document. We do not sponsor or endorse any franchisee organizations, nor have we created any.

## **ITEM 21: FINANCIAL STATEMENTS**

Attached as Exhibit C are unaudited financial statements dated November 30, 2024 and audited financial statements for the years ending December 31, 2021, December 31, 2022, and December 31, 2023. Our fiscal year end is December 31.

## **ITEM 22: CONTRACTS**

The following agreements and other required exhibits are attached to this disclosure document in the pages immediately following:

- |    |   |              |
|----|---|--------------|
| 1. | Window World Franchise Agreement With .....                         | Exhibit A    |
|    | a. Lease Rider .....  | Attachment 1 |
|    | b. Communications Consent .....                                     | Attachment 2 |
|    | c. Limited Personal Guaranty .....                                  | Attachment 3 |
|    | d. Internet, Social Media and Telephone Assignment ...              | Attachment 4 |
|    | e. Nondisclosure and Noncompetition Agreement .....                 | Attachment 5 |
|    | f. Nondisclosure and Non-Solicitation Agreement .....               | Attachment 6 |
| 2. | Prospective Franchisee Confidentiality Agreement.....               | Exhibit F    |
| 3. | 800 Response Agreement .....  | Exhibit G    |
| 4. | Master Services Agreement .....                                     | Exhibit H    |
|    | a. CRM Subscription Agreement.....                                  | Exhibit 2A   |
|    | b. Web Design and Management Agreement .....                        | Exhibit 2B   |
|    | c. Window World Owner's Portal Agreement .....                      | Exhibit 2C   |
|    | d. ACH/EFT Transfer Agreement and<br>Credit Card Authorization..... | Exhibit 2D   |
|    | e. Premium Services Amendment.....                                  | Exhibit 2E   |
| 5. | Non-Operating Owner Amendment.....                                  | Exhibit I    |



6.	Agreement and Conditional Consent to Transfer .....	Exhibit J
7.	Full and Final General Release.....	Exhibit K
8.	First Addendum to Renewal Franchise Agreement.....	Exhibit L
9.	Roofing Addendum.....	Exhibit M

### **ITEM 23: RECEIPT**

You will find copies of a detachable receipt in Exhibit N at the very end of this disclosure document. Please sign both acknowledging receipt of this disclosure document and return one of them to us for our files.

**EXHIBIT A**  
**FRANCHISE AGREEMENT**

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Attachment 6 – Nondisclosure and Non-Solicitation Agreement	

**WINDOW WORLD, INC.  
FRANCHISE AGREEMENT**

**SUMMARY PAGES**

Effective Date:

Franchisor:  
Address for Notice:

\_\_\_\_\_  
WINDOW WORLD, INC., a North Carolina corporation  
Registered Agent  
WINDOW WORLD, INC.  
Corporation Service Company  
2626 Glenwood Avenue, Suite 550  
Raleigh, NC 27608  
and  
Legal Department  
WINDOW WORLD, INC.  
118 Shaver Street  
N. Wilkesboro, NC 28659  
Telephone Number: (336) 667-2100  
Email: legal@WindowWorld.com

Franchisee:  
Type of Entity:

\_\_\_\_\_  
☐ Corporation  
☐ LLC

State of Incorporation/  
Organization  
Address for Notice  
(Pre-Opening)

Address for Notice  
(After Opening, if  
different than  
Headquarters):

Email to use for Notice:  
Telephone:  
Mobile Telephone:

## FRANCHISEE'S OWNERS

The following is a list of all shareholders, members, or other investors owning a direct or indirect interest in Franchisee and a description of the nature of their interest and their designation as Operating Owners and Non-Operating Owners:

NAME	OWNERSHIP INTEREST IN FRANCHISEE	TYPE OF OWNER Operating/ Non-Operating

For each owner listed above, below are their respective addresses and cell phone numbers:

Name	Home Address	Cell Phone Number	Personal Email Address

Type of Agreement  
Territory:

☐ Initial

☐ Renewal

☐ Modification

Initial Minimum MSI

Headquarters Address:

Opening Date:

Initial Franchise Fee: \$

Initial Equipment Fee: \$

Designated Contact:

Designated Contact

Information:

Description of start-up  
package included with  
Initial Franchise Fee:

By signing below each of the parties attests to the accuracy of the information contained in these Summary Pages and agrees to and intends to be legally bound by the terms and conditions of the WINDOW WORLD, INC. Franchise Agreement attached to these Summary Pages, effective on the Effective Date set forth above and hereby incorporated by reference.

**FRANCHISOR:**

WINDOW WORLD, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

**WINDOW WORLD, INC.  
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT ("Agreement") by and between WINDOW WORLD, INC., a North Carolina corporation ("Franchisor") and the undersigned persons(s) and entity(ies) (hereafter, whether one or more, collectively, "Franchisee").

**RECITALS:**

(A) Franchisor has expended time, money, and effort to develop a unique system for operating a business that sells, markets, and installs exterior remodeling products in residential and light commercial settings. (The methods of operation, know-how, experience, branding, and form of operation and the related standards and specifications acquired, devised, and/or established by Franchisor are referred to herein as the "System"; the group of current and future WINDOW WORLD businesses are referred to herein as the "Network".)

(B) The distinguishing characteristics of the System include the name "WINDOW WORLD," unique methods for operations, sales, advertising, promotions, installation, and pricing, and other distinctive color schemes, software, and training, all of which may be improved, amended, and further developed by Franchisor from time to time.

(C) Through a license agreement, Franchisor has the rights to sublicense certain federally registered and unregistered service marks, trade names, trademarks, slogans, logos, and emblems which have been and which may hereafter be designated by Franchisor for use in connection with the System ("Marks").

(D) Franchisee desires to obtain a license from Franchisor to use the Marks and the System solely for the operation of a business within the Territory identified below ("Franchised Business"), and Franchisee desires to use the Marks, System, and other benefits derived from this franchise relationship strictly in accordance with the provisions set forth below.

NOW, THEREFORE, in consideration of the recitals and the mutual agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

**1. Grant.**

(a) **Grant.** Franchisor hereby grants to Franchisee, on the terms and conditions contained in this Agreement, and Franchisee accepts from Franchisor, a license ("License") to establish, own, and operate under the System one Franchised Business within the Territory. Pursuant to this grant, Franchisee, at its own expense, shall establish, open, and operate the Franchised Business within the Territory in accordance with this Agreement. Franchisee agrees to identify the Franchised Business and all the products and services Franchisee sells or offers for sale only by the Marks. Franchisee has no right to use the System or the Marks for any purpose other than as expressly provided herein. Franchisor and Franchisor's affiliates reserve any and all rights not expressly granted to Franchisee under this Agreement. Franchisor grants franchises and

the rights to develop and operate WINDOW WORLD franchised businesses only pursuant to the express terms of written agreements and not orally.

(b) **Headquarters and Satellites.** The Franchised Business shall always have operational headquarters at a location within the Territory that complies with Franchisor's standards and specifications ("Headquarters"). As further specified in Section 6 of this Agreement and provided all such locations comply with Franchisor's standards and specifications, (i) Franchisee may obtain prior written approval from Franchisor, in Franchisor's sole discretion, to relocate the Headquarters to another location within the Territory, (ii) Franchisor may upon written request from Franchisee, in Franchisor's sole discretion, approve Franchisee to open one or more additional business locations open to the public within the Territory (each a "Satellite"), and (iii) Franchisor may upon written request from Franchisee, in Franchisor's sole discretion, approve Franchisee to establish other operational sites that are not open to the public within the Territory. Franchisor has the right to require Franchisee to open one or more Satellite(s) within the Territory. Franchisor may accept the location for the Headquarters or Satellite(s) in writing and those locations shall become, respectively, the "Headquarters" or a "Satellite" for purposes of this Agreement. Franchisor has the right to require Franchisee to commence operations of the Franchised Business with both a Headquarters and one (1) or more Satellites in the Territory if the Territory has more than one million (1,000,000) owner-occupied homes at the time this Agreement is executed.

(c) **Time to Commence Operations.** Unless otherwise agreed in a writing executed by Franchisor, Franchisee shall commence operating the Franchised Business from the Headquarters within ninety (90) days of the execution of this Agreement and shall diligently operate the Franchised Business in accordance with this Agreement for the Initial Term. Failure to timely commence operating the Franchised Business shall constitute an event of default under this Agreement. Franchisee shall obtain Franchisor's prior written approval to commence operations of the Franchised Business.

(d) **Compliance and Best Efforts.** Franchisee shall always operate the Franchised Business in accordance with the terms of this Agreement, which terms expressly require compliance with the Manuals and Franchisor's standards and specifications. Franchisee covenants that it will at all times faithfully, honestly, and diligently perform its obligations under this Agreement, and that it will continuously exert its best efforts to promote and enhance the business of the Franchised Business and, to the extent Franchisee has entered into other franchise agreements with Franchisor, other WINDOW WORLD franchised businesses established and operated by Franchisee.

(e) **Additional Definitions.** Any term that requires written permission, approval, or consent from Franchisor can be given by email or written electronic communication, in addition to any other forms of written communication. Use of the term "vendor" herein shall include any vendor, manufacturer, supplier, distributor, or other provider of products and services. Use of the term "affiliate" shall mean an entity's subsidiary or an entity's parent and an entity controlled by, controlling, or under common control with, another entity. Use of the term "advertising" shall include reference to advertising, marketing, and promotional activities in whatever medium. Use of the term "independent contractor" or "contractor" shall also include any subcontractors. "Gross



Revenues” shall mean the total revenue generated by Franchisee in connection with the Franchised Business, including all revenue generated from the sale and provision of any and all approved products and services at or through the Franchised Business, whether such revenues are evidenced by cash, check, credit, charge, account, barter or exchange. “Gross Revenues” does not include (i) tips received by employees through their employment with the Franchised Business or (ii) any sales tax and equivalent taxes that are collected by Franchisee for or on behalf of any governmental taxing authority and paid thereto.

(f) **Spouses and Changing Martial Status.** Each spouse or domestic partner of an owner in the Franchisee business entity of five percent (5%) or more shall execute Franchisor’s forms of Limited Personal Guaranty and non-competition, non-solicitation, and confidentiality agreements. If an individual owner has a change in marital or domestic partner status, Franchisee shall promptly inform Franchisor of that change, and Franchisee agrees that any new spouse or domestic partner will sign Franchisor’s then-current form of guaranty, noncompetition, non-solicitation, and confidentiality agreements.

(g) **Ancillary Agreements.** Franchisee and each owner agrees to execute the following ancillary agreements, the terms of which are incorporated into this Agreement by reference: (i) each shareholder or member of Franchisee’s business entity with five percent (5%) interest or more, and each person’s respective spouse, shall enter into the form of Limited Personal Guaranty attached hereto as Attachment 3; (ii) Franchisee shall enter into that form of Lease Rider which is attached hereto as Attachment 1, unless otherwise approved by Franchisor; (iii) Franchisee (including each owner) shall enter into that form of Communications Consent attached hereto as Attachment 2; (iv) Franchisee shall enter into that form of Internet, Social Media, and Telephone Assignment attached hereto as Attachment 4; (v) the Operations Manager, as applicable, and each spouse of an owner shall sign the forms of confidentiality, non-competition, and non-solicitation agreements attached hereto as Attachment 5 and Attachment 6; and (vi) Franchisee shall enter into Franchisor’s affiliate’s then-current form of master services agreement and any related agreements for technology services. This list of ancillary agreements is not exhaustive, and Franchisor may provide other agreements from time to time.

## **2. Term, Expiration, and Additional License Period.**

(a) **Initial Term.** The initial term of this Agreement shall commence upon the execution of this Agreement and shall expire at midnight on the day preceding the tenth (10<sup>th</sup>) annual anniversary date of execution of this Agreement (“Initial Term”) unless this Agreement has been sooner terminated in accordance with the terms and conditions herein.

(b) **Additional License Period.** Upon expiration of the Initial Term, Franchisee will have the right to be granted a renewal of the License for one (1) additional consecutive period of ten (10) years from date of expiration of the Initial Term (“Renewal Term”), provided all of the below conditions have been met:

(i) **Notice.** Franchisee has given Franchisor written notice of its intent to renew the License not less than nine (9) months nor more than twelve (12) months prior to the expiration of the Initial Term.

(ii) **Compliance.** Franchisee and its affiliates are not in default of any of the provisions of this Agreement or any other agreement between Franchisee and its affiliates and Franchisor or its affiliates, both at the time Franchisee gives notice of its intent to exercise its rights under the terms of this Section 2(b) and at the commencement of the Renewal Term. At least ninety (90) days prior to the end of the Initial Term, Franchisor shall conduct an inspection (“Renewal Inspection”) of the Franchised Business and identify in writing any conditions that do not meet Franchisor’s then-current brand standards as set forth in the Manuals. Franchisee shall resolve all matters identified on the Renewal Inspection report to the satisfaction of Franchisor, and at Franchisee’s sole cost, prior to executing the Renewal Agreement; provided, however, that the maximum amount that Franchisee can be required to expend is Fifty Thousand Dollars (\$50,000). The renovations and updating that occur during the Initial Term prior to the Renewal Inspection are not subject to the aforementioned cap.

(iii) **Debts Current.** All debts and obligations of Franchisee under this Agreement and under agreements with approved or required vendors shall be current.

(iv) **Notice of Default.** Franchisee has not received more than three (3) notices of default during any consecutive eighteen (18) month period during the Initial Term.

(v) **Renewal Agreement.** Franchisee executes at Franchisor’s then-current principal place of business, at Franchisee’s expense, within thirty (30) days after delivery to Franchisee, the then-current form of WINDOW WORLD franchise agreement and Franchisor’s other then-current ancillary agreements, which agreements shall supersede this Agreement and its ancillary agreements in all respects, and the terms, conditions, obligations, rights, and other provisions of which may be substantially and materially different from those spelled out in this Agreement and its ancillary agreements (including for example, different performance standards, fee structures, increased fees, and/or reduced territory protections) (collectively, the “Renewal Agreement”).

(vi) **Continued Possession.** Franchisee secures the right to continue possession of the Headquarters for at least the first twelve (12) months of the Renewal Term, or alternatively, Franchisee secures a premises at another location accepted by Franchisor that meets Franchisor’s standards and specifications for a Headquarters; unless Franchisor determines that the existing Headquarters for the Franchised Business is no longer compliant with Franchisor’s standards and specifications, in which case Franchisor may condition Franchisee’s right to renew on Franchisee obtaining a premises at another location accepted by Franchisor that meets Franchisor’s standards and specifications.

(vii) **Release.** Franchisee for itself and on behalf of its respective predecessors, affiliates, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns execute and deliver to Franchisor a general release, in the form prescribed by Franchisor, releasing, to the fullest extent permitted by law, all claims that they may have against Franchisor, Franchisor’s predecessors and affiliates, and

their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities.

(viii) **Current Training.** Any and all Operating Owners or Operations Managers comply with Franchisor's then-current training requirements.

(ix) **Documentation.** At least ninety (90) days prior to the end of the Initial Term, Franchisee shall provide Franchisor with such forms, reports, records, information, and data as Franchisor reasonably designates.

(x) **Minimum Gross Unit Sales Volume - Renewal.** Gross unit sales volume of windows for the two (2) years immediately prior to the expiration of the Initial Term have been at least as high as those collected by the twenty-fifth (25th) percentile of Franchisor's franchisees in the same market category during the same time period.

(c) **Failure to Satisfy Conditions; Expiration.** If Franchisee fails to satisfy any of the conditions set forth in Section 2(b)(i) to (x), which conditions include timely performing any required action, then without any action or notice by Franchisor Franchisee shall not have a right to renew the License or to enter into a Renewal Agreement. If Franchisee does not have a right to renew the License, then Franchisor may offer Franchisee the opportunity to enter into a Renewal Agreement in Franchisor's sole discretion. Unless Franchisee renews the License in accordance with this Section 2 by entering into a Renewal Agreement, this Agreement shall expire upon, and Franchisee shall have no right to continue to operate the Franchised Business after, the conclusion of the Initial Term. Franchisee shall provide Franchisor with written notice of Franchisee's intent to not renew the License not less than nine (9) months prior to the expiration of the Initial Term.

(d) **Territory Modification on Renewal.** Franchisor may modify Franchisee's Territory on renewal under the below circumstances:

(i) If Franchisee has a Territory of at least two (2) counties and does not achieve the Minimum MSI (defined below) for Franchisee's market size during the two (2) years immediately prior to the expiration of the Initial Term, Franchisor, in its sole discretion, may reduce the Territory on renewal to exclude such underperforming counties. The reduced Territory shall be the territory included in the Renewal Agreement.

(ii) If, at the time Franchisee gives its renewal notice to Franchisor, the number of owner-occupied homes (which shall be measured with data Franchisor, in its sole discretion, deems reliable) for the Territory has increase by more than one million homes compared to the population of the Territory as of the Effective Date, Franchisor has the right to require Franchisee to establish one or more Satellites within the Territory as a condition for renewal. Instead of establishing a Satellite, Franchisee may elect to relinquish a portion of the Territory. If elected, the reduced Territory shall be the territory included in the Renewal Agreement.

### 3. Franchise Fees and Payments.

(a) **Initial Franchise Fee, Royalties, and Other Payments.** In consideration of Franchisor's execution of this Agreement and the services that Franchisor will perform, Franchisee agrees to pay to Franchisor the following fees in such manner as Franchisor may from time to time designate and on the due dates specified by Franchisor:

(i) **Initial Franchise Fee.** An initial franchise fee ("Initial Franchise Fee") in the amount set forth in the Summary Pages. The Initial Franchise Fee shall primarily compensate Franchisor for Franchisor's pre-opening obligations under this Agreement. The parties recognize the value of the Initial Franchise Fee approximates the market value of the pre-opening products and services, some of which are referenced on the Summary Pages as the start-up package. The Initial Franchise Fee shall not be refundable.

(ii) **Royalties.** In further consideration of the grant of the License to Franchisee and Franchisee's rights to use the Marks and the System, Franchisee agrees to pay to Franchisor royalties ("Royalties"). The Royalties shall be collected by Franchisor as part of the payment Franchisee makes for products purchased from required vendors. Franchisee understands and agrees Franchisor will receive Royalties collected by the required vendor as part of the invoiced price of the products purchased from the required vendor. The Royalties shall also be consideration paid by required vendors for services Franchisor performs for vendors and for Franchisor's licensing of certain intellectual property to the required vendors. Franchisee agrees such payments and Royalties are reasonable. Franchisee agrees all Royalties received by Franchisor are Franchisor's exclusive property and Franchisor has no obligation to spend any portion of the Royalties on Franchisee's individual behalf. Nothing in this subsection creates a fiduciary relationship between Franchisor and Franchisee. Franchisor has the right to change (including increasing) the amount of Royalties or, in the case of new products and services sold by the Franchised Business, establish new Royalties.

(iii) **Technology Fee.** Beginning at the opening of the Franchised Business, Franchisee will be required to pay to Franchisor (or its affiliate), the then-current technology fee ("Technology Fee") for the use of the technology Franchisor requires, which may include, but is not limited to, a customer relations management system, Online Presences, and the use of Franchisor's other then-current, approved proprietary or third-party software and applications; provided, however, Franchisor shall pay the Technology Fee for the base package of services for the first twelve (12) months of Franchisee's operations if this Agreement is for a new Franchised Business. Franchisor may increase the Technology Fee annually by the amount that is the greater of (A) two percent (2%) of the then-current Technology Fee or (B) any amount Franchisor designates. Franchisor (or its affiliate) has the right to modify, remove, discontinue, or add functions, products, solutions, or services at any time, in Franchisor (or its affiliate's) sole discretion. Franchisor (or its affiliate) has the right to offer premium versions of the technology products and services and reserves the right to charge an additional fee beyond the Technology Fee for the additional functionality. Franchisee's use of the technology provided under the

Technology Fee must comply with this Agreement and any other agreement Franchisee is required to sign in order to use the technology.

(iv) **Fines.**

(A) For each instance where an Operating Owner fails to attend required training or Franchisee otherwise violates this Agreement (including the Manuals and other of Franchisor's standards and specifications), Franchisor shall, at Franchisor's option, have the right to levy a fine of up to Five Thousand Dollars (\$5,000) per occurrence.

(B) Additionally, for each instance where Franchisee has sales in the territory of another franchisee, Franchisor shall, at Franchisor's option, have the right to levy a fine of up to Fifteen Percent (15%) of the customer contract value that was offered, solicited, or sold in the other franchisee's territory plus an amount of up to Ten Thousand Dollars (\$10,000) on a per determination of infringement basis. For each instance where Franchisee solicits or offers in the territory of another franchisee, Franchisor shall, at Franchisor's option, have the right to levy a fine of up to Ten Thousand Dollars (\$10,000) on a per determination of infringement basis. In evaluating Franchisee's violations under this subsection, Franchisor may look back for a rolling period of two (2) years.

(C) The imposition of fines shall not act as a waiver of any of Franchisor's other remedies under this Agreement.

(v) **Interest and Late Fees.** If Franchisee fails to pay the full amount any amount due to Franchisor when due or Franchisee has insufficient funds to cover the electronic transfer when initiated by Franchisor, Franchisee shall pay interest on the amount due and unpaid at an interest rate equal to the lower of eighteen percent (18%) or the maximum interest rate allowed by law. Additionally, within thirty (30) days of Franchisor's notice that a late fee is being imposed, Franchisee shall pay a late fee in the amount of two percent (2%) of the fees due to Franchisor or its affiliates. The imposition of interest or late fees pursuant to this subsection shall not act as a waiver of any of Franchisor's other remedies under this Agreement.

(vi) **Re-Inspection or Rescheduled Inspection Costs.** Franchisee agrees to promptly reimburse Franchisor for all costs Franchisor incurs in (1) conducting one or more follow up inspections of the Franchised Business if Franchisee fails an inspection and (2) rescheduling an inspection if Franchisee reschedules the inspection after the date(s) have been established by Franchisor.

(b) **Method of Payment.** Unless prepaid annually or otherwise specified in this Agreement, all payments due to Franchisor or an affiliate of Franchisor must be submitted to Franchisor or its affiliates by the day of the month and in the manner Franchisor or its affiliates specify. Franchisor and its affiliates have the right to require Franchisee to pay the required fees by electronic funds transfer ("EFT") or by credit card, and Franchisee must sign all forms

Franchisor, or its affiliates require to authorize such charges or transfers. If required by Franchisor, Franchisee shall at all times keep on file with Franchisor an active credit card with a credit limit of at least six (6) months of the then-current Technology Fees or Five Thousand Dollars (\$5,000), whichever is greater. If Franchisee pays Franchisor or its affiliates by EFT, Franchisee must maintain a balance in its designated account sufficient to allow Franchisor and its affiliates to collect the amounts owed when due. Franchisee is responsible for any penalties, fines, or other similar expenses associated with the transfer of funds described in this subsection. If Franchisee elects to prepay the Technology Fee on or before January 1st of each year, Franchisee may remit payment by EFT, credit card, or check.

(c) **Application of Payment.** If Franchisee is delinquent in the payment of any obligation to Franchisor, or any of its affiliates or designees, then Franchisor (or such affiliates or designees), will have the right to apply any payment from Franchisee to any obligation due, including the oldest obligation due, whether under this Agreement or otherwise, notwithstanding any contrary designation by Franchisee as to such application. Franchisor has the right to offset the payments owed to or amounts collected on behalf of Franchisee.

(d) **No Offset or Retention of Funds.** Franchisee may not offset or withhold payments owed to Franchisor or its affiliates for amounts purportedly due Franchisee as a result of any dispute of any nature or otherwise but will pay such amounts to Franchisor or its affiliates and only thereafter seek reimbursement.

#### **4. Franchisor Services.**

(a) **Franchisor Services.** During the Initial Term, Franchisor agrees to provide to Franchisee the following services:

(i) **Site Selection.** Franchisor will provide Franchisee with its then-current site selection acceptance criteria for the Headquarters and Satellites.

(ii) **Specifications and Approved Vendors.** To the extent Franchisor has specifications for approved vendors or required vendors, Franchisor shall provide Franchisee with such specifications and/or a list of required or approved vendors for any required or recommended product or service to be used in connection with the Franchised Business; provided that Franchisor reserves the right to amend and/or modify such specifications or vendor lists at any time.

(iii) **Initial Training Program.** Franchisor shall provide a single initial training program for an Operating Owner or the Operations Manager, and such other persons as Franchisor may reasonably designate; provided that Franchisee shall be responsible for all wages of its attendees and other expenses of attending.

(iv) **Additional Training.** In Franchisor's sole discretion and/or at the request of Franchisee, Franchisor may offer additional or supplemental training. Franchisee shall be responsible for all expenses incurred by persons in connection with additional or supplemental training, including, without limitation, all cost of travel, lodging, meals, and

wages. Franchisor also reserves the right to require attendance at additional training and to charge an additional fee.

(v) **Advice.** At Franchisee's reasonable request, Franchisor will promptly provide such advice and information as it considers reasonably appropriate to assist Franchisee with implementing the System at the Franchised Business. Franchisee understands and agrees that such advice and information may be rendered by field support, phone, video conference, electronically, Manuals, training and/or by such other means as Franchisor deems appropriate in its sole discretion. Franchisor may, in its discretion, convene meetings of franchisees as it considers necessary or appropriate. If Franchisor makes in-person field support available to Franchisee, Franchisor shall have the sole discretion to determine the level, type, timing, amount, and extent of support.

(vi) **Information.** To the extent necessary to the operate the Franchised Business and implement the System, Franchisor shall communicate to Franchisee information about the System, including product information.

(vii) **Start-up Package.** For the Initial Franchise Fee, Franchisor will provide Franchisee with a start-up package of products and services to assist in the launch of the Franchised Business. Some of those products and services are set forth in the Summary Pages. The start-up package may include allowances as well.

(b) **Legal Expenses.** Franchisor may in certain situations incur legal expenses while assisting Franchisee with respect to, without limitation, lease negotiations, customer relationships, or legal compliance issues. Such assistance may be at the request of Franchisee or required by Franchisor and may be provided by Franchisor or its outside counsel; provided however, that Franchisor shall have the sole discretion as to whether or not to provide legal assistance. In the event Franchisor does incur legal expenses on behalf of Franchisee, then following notice to Franchisee that Franchisor will begin billing Franchisee for expenses that are incurred after the notice. Franchisee shall reimburse Franchisor for such expenses immediately upon notice from Franchisor. Franchisee acknowledges and agrees that such legal expenses are in addition to Franchisee's obligations to indemnify the Franchisor Indemnified Parties.

(c) **Acknowledgement.** FRANCHISEE AGREES THAT FRANCHISOR IS NOT OBLIGATED TO PROVIDE ANY TRAINING OR ASSISTANCE TO FRANCHISEE'S PARTICULAR LEVEL OF SATISFACTION, BUT AS A FUNCTION OF FRANCHISOR'S EXPERIENCE, KNOWLEDGE, AND JUDGMENT. FRANCHISEE ALSO ACKNOWLEDGES THAT FRANCHISOR IS NOT OBLIGATED TO PROVIDE ANY PRODUCTS OR SERVICES TO FRANCHISEE THAT ARE NOT SET FORTH IN THIS AGREEMENT. IF FRANCHISEE BELIEVES FRANCHISOR HAS FAILED TO ADEQUATELY PROVIDE ANY PRE-OPENING OR OPENING PRODUCTS OR SERVICES TO FRANCHISEE, FRANCHISEE MUST NOTIFY FRANCHISOR IN WRITING WITHIN THIRTY (30) DAYS FOLLOWING THE OPENING OF THE FRANCHISED BUSINESS OR FRANCHISEE WILL BE DEEMED TO CONCLUSIVELY ACKNOWLEDGE THAT ALL PRE-OPENING AND OPENING PRODUCTS AND SERVICES REQUIRED TO BE PROVIDED BY FRANCHISOR WERE SUFFICIENT AND SATISFACTORY, AND

COMPLIED WITH ALL REPRESENTATIONS MADE TO FRANCHISEE. IF FRANCHISEE FAILS TO SO NOTIFY FRANCHISOR, FRANCHISEE WILL BE DEEMED TO HAVE WAIVED ALL CLAIMS RELATING TO OR ARISING FROM FRANCHISOR'S OBLIGATIONS TO PROVIDE PRE-OPENING OR OPENING PRODUCTS OR SERVICES.

**5. Territorial Provisions.**

(a) **Territory Grant.** Subject to the provisions of this Section 5, provided Franchisee is in compliance with its obligations under this Agreement, Franchisor agrees that from the time that Franchisee commences operations of its Franchised Business after obtaining Franchisor's permission to do so until the earlier of the termination, expiration, or non-renewal of this Agreement, Franchisor will not establish and operate, nor license any party other than Franchisee to establish and operate, a business selling and installing exterior remodeling products using the Marks and the System within the territory set forth in the Summary Pages ("Territory"). Franchisee acknowledges and agrees that if some or all of the Territory was a Gray Area prior to the execution of this Agreement, the franchisees who had sales in that area will have the right and obligation to complete the installation services for products sold prior to the date that Franchisee commences operations of the Franchised Business. This does not reduce Franchisee's obligations as set forth in Section 5(d)(iv). Franchisee recognizes and acknowledges that (i) it may compete with other WINDOW WORLD businesses which are now, or which may in the future be, located near or adjacent to the Territory and (ii) that such businesses may be owned by Franchisor, its affiliates, and/or third parties. Even if the boundaries of Franchisee's actual Territory may not change during the Initial Term, Franchisor has the right to periodically reclassify territories, consistent with Franchisor's policies, for internal purposes in determining Franchisee's eligibility for certain promotional programs and incentives.

(b) **Best Efforts.** Franchisee must use best efforts to develop demand for the services offered by the Franchised Business and to service its customers, all in accordance with the standards and specifications established by Franchisor.

(c) **Sufficiency.** Franchisee hereby acknowledges and agrees that the Territory is of sufficient size and scope to support the Franchised Business.

(d) **Territory Activities and Unassigned Territories.**

(i) **Limitations.** Franchisee may offer and sell approved products and services from the Headquarters or Satellite only within the Territory, except as Franchisor otherwise approves in advance or as set forth in the Manuals, and in such event only in accordance with the requirements of this Agreement. Franchisee may not offer, market, or sell products and services through any other means or within any other area, including via the internet, except as permitted by Franchisor.

(ii) **Gray Area.** Notwithstanding anything in this Agreement to the contrary, Franchisor has the right, but not the obligation, to allow Franchisee, by prior written permission or systemwide policy, to operate outside its Territory in areas not otherwise assigned to other franchisees or other affiliate-owned businesses ("Gray Area"). However,



if Franchisee is permitted to operate in a Gray Area pursuant to this Section 5(d), Franchisee shall not acquire any ownership right, right of first refusal, or any other preference to the Gray Area. If Franchisee is permitted to operate in a Gray Area, Franchisee shall perform installation service and warranty obligations in the Gray Area for products that Franchisee sells, as long as the area is designated as a Gray Area. If Franchisee advertises and sells in a Gray Area, Franchisee does so at Franchisee's own risk. Franchisor has the sole right and discretion to rescind any policy or prior written permission to allow Franchisee to operate in a Gray Area at any time during the Initial Term. Franchisor also reserves the right at any time to sell, grant, and/or assign a Gray Area to a franchised or affiliate-owned business without notice to any franchisee. Franchisee acknowledges nothing herein shall be construed as a promise or guarantee that Franchisor will allow Franchisee to advertise, sell, or operate outside of the Territory.

(iii) **Ceasing Operations in a Gray Area.** If Franchisor sells or assigns all or a portion of a Gray Area or otherwise rescinds its permission for Franchisee to operate in a Gray Area, Franchisee must (A) immediately discontinue making offers and selling in the Gray Area, (B) within ten (10) days of receipt of notice from Franchisor, surrender to Franchisor all customer information Franchisee has obtained for customers residing with the relevant Gray Area (which customer information is and shall always be owned by Franchisor), and (C) promptly fulfill its installation services to customers who purchased products prior to the time that Franchisor gave notice that Franchisee must not operate in the Gray Area.

(iv) **Warranty Obligations.** If Franchisee is purchasing a Territory which contains any areas that were previously a Gray Area within which other WINDOW WORLD businesses previously serviced customers, then Franchisee must assume all warranty and labor obligations arising after the product installation that were given to such customers at Franchisee's sole cost and expense. Franchisor shall cover Franchisee's costs of the warranty and labor expenses for the first ninety (90) days following the execution of this Agreement or until Franchisee commences operations of the Franchised Business, whichever occurs first.

(e) **Reserved Rights.** All rights that are not granted to Franchisee in this Agreement are specifically reserved to Franchisor, and Franchisor will not be restricted in any manner from exercising them nor will Franchisor be required to compensate Franchisee should Franchisor exercise them. This includes without limitation, the right, directly or through others and regardless of either (i) proximity to any Premises or Territory or (ii) any actual or threatened impact on sales of the Franchised Business, to do any and all of the following:

(A) use the Marks and System in connection with establishing and operating WINDOW WORLD businesses at any location outside the Territory.

(B) acquire, establish or operate, without using the Marks, any business of any kind at any location anywhere in the world (including within the Territory).

(C) use the Marks in connection with soliciting or directing advertising or promotional materials to customers anywhere in the world (including within the Territory).

(f) **No Additional Rights.** Franchisee has no right of first refusal or other options or rights to open any additional WINDOW WORLD businesses.

## **6. Premises, Inspections, and Refurbishment.**

(a) **Premises.** Franchisee shall obtain Franchisor's prior acceptance of each building it uses for operations of the Franchised Business, whether the Headquarters, a Satellite, or some other accepted location (each a "Premises"). Each Premises shall be obtained at Franchisee's expense. Each Premises shall be commercial real estate that is properly zoned for the operation of the Franchised Business. If Franchisor does not accept a location proposed by Franchisee within thirty (30) days after receiving the proposal thereof, such location shall be deemed rejected by Franchisor, and Franchisee shall not locate its Franchised Business at such location. Franchisor has no obligation to offer assistance to Franchisee in selecting a location other than to provide site selection criteria as set forth in Section 4(a)(i). Each Premises must comply with Franchisor's standards and specifications, including but not limited to, standards and specifications for layout, furniture, fixtures, warehouse space, office space, showroom space, storage, signage, design, décor, equipment, loading docks, and parking. Franchisee must have and implement in accordance with Franchisor's standards all furniture, fixtures, signage, décor, equipment, loading docks, and other items that Franchisor requires.

(b) **No Warranty.** FRANCHISEE EXPRESSLY ACKNOWLEDGES AND AGREES THAT FRANCHISOR'S ACCEPTANCE OF ANY PREMISES IS NOT AND SHALL NOT BE CONSTRUED AS A GUARANTEE OR ASSURANCE THAT THE FRANCHISED BUSINESS WILL BE PROFITABLE. Franchisee hereby acknowledges and agrees that Franchisor's acceptance of a Premises does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of each Premises for the Franchised Business or for any other purpose. Franchisor's acceptance of a Premises indicates only that Franchisor believes each Premises complies with minimum criteria established by Franchisor solely for Franchisor's purposes as of the time of the evaluation. Both Franchisee and Franchisor acknowledge that application of criteria that may have been effective with respect to other locations may not be predictive of potential for all locations and premises and that, subsequent to Franchisor's acceptance of a location, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from Franchisor's criteria could change, thereby altering the potential of a location. Such factors are unpredictable and are beyond Franchisor's control. Franchisor shall not be responsible for the failure of a Premises accepted by Franchisee to meet Franchisee's expectations as to revenue or operational criteria. Franchisee further acknowledges and agrees that selection of a Premises is based on its own independent investigation of the suitability of each Premises.

(c) **Lease of each Premises.** Unless Franchisee otherwise receives Franchisor's approval, Franchisee must lease each Premises. Franchisee shall submit to Franchisor executed copies of all such leases immediately after execution and at such other times as Franchisor may request. All leases pertaining to any Premises shall also include an Addendum in the form of

Attachment 1 attached hereto or shall contain terms and conditions substantially similar to those contained in Attachment 1 which Franchisor has approved in writing ("Lease Rider"). The Lease Rider must be executed within ninety (90) days of the lease execution. Franchisor is not obligated to offer assistance to Franchisee in negotiating an acceptable lease agreement for any Premises. Franchisor shall not represent Franchisee in a legal capacity and advises Franchisee to seek independent legal counsel in the review and negotiation of its lease agreement(s). Under the following conditions, Franchisee may lease a Premises from an owner, manager, director, officer, or employee of Franchisee or another person or party related to or affiliated with Franchisee (collectively and individually, the "Related Party"): (i) the Related Party must own the Premises in an entity that is separate from any Franchisee entity, (ii) Franchisee enters into a written lease with the Related Party and deliver a copy to Franchisor, and (iii) the Related Party and Franchisee enter into the Lease Rider within ninety (90) days of the lease execution.

Alternatively, if Franchisee has received Franchisor's consent to own the Premises or otherwise has another form of right to possess the Premises other than through a lease, then Franchisee shall cause the property owner of the Premises to execute an agreement that contains the following terms: (A) the property owner shall not place any liens (and, if any arise by operation of law, shall subordinate such liens to Franchisor) on the Premises or on Franchisee's signage, equipment, inventory, or personal property, or on Franchisor's trade dress at the Premises, (B) any holder of a mortgage, deed of trust, deed to secure debt, or similar encumbrance on the Premises agrees not to disturb Franchisee's rights to or possession of the Premises and such holder agrees to enter into a written recordable form of subordination and non-disturbance agreement, (C) the property owner agrees that in the event of the termination, expiration, or non-renewal of this Agreement, (1) Franchisor, its affiliates, its designees, or another WINDOW WORLD franchisee shall have the option to lease the Premises on commercially reasonable terms and shall have the right to sublease the Premises, and (2) Franchisor and its designees shall have the right to enter into the Premises to de-identify it as a WINDOW WORLD location, and (D) other terms Franchisor may require from time to time ("Alternative Agreement"). The Alternative Agreement must be executed within ninety (90) days of the date Franchisor accepts the Premises.

**(d) Headquarters.** If the Headquarters is not already selected at the time this Agreement is executed, then within forty-five (45) days of executing this Agreement, Franchisee shall submit up to three (3) locations for Franchisor's review. Acceptance shall not be unreasonably withheld. **Failure by Franchisee to acquire or lease an accepted location for the Headquarters within the time required herein shall constitute a default under this Agreement, and Franchisor, in its sole discretion, may terminate this Agreement pursuant to the terms of Section 14(b)(xi) of this Agreement.**

**(e) Suitability of Premises.** It shall be the responsibility of Franchisee to determine that a Premises can be used, remodeled, and constructed under all applicable laws, ordinances, orders, rules, and regulations, for the purposes provided herein. Franchisee shall obtain all permits and licenses that may be required to construct or remodel any Premises for operations of the Franchised Business. Unless Franchisee receives prior written permission from Franchisor, Franchisee agrees that any Premises will not be used for any purpose other than the operation of the Franchised Business in compliance with this Agreement.

(f) **Relocation.** Franchisee shall not, without first obtaining Franchisor's written consent, which shall not be unreasonably withheld locate or relocate the Franchised Business to an additional or different Premises. If Franchisee's landlord terminates Franchisee's right to possess the Headquarters before the expiration of the Initial Term, Franchisee shall choose a new location and receive Franchisor's acceptance of that location within sixty (60) days of Franchisee's loss of possession.

(g) **Construction and Remodeling.** If construction or remodeling is necessary to modify any Premises to fit Franchisor's standards and specifications, Franchisee is solely responsible for such construction or remodeling. Franchisee will commence any required construction or remodeling promptly after execution of a lease for any Premises. Franchisee shall maintain continuous construction of any Premises until completion. It is Franchisee's sole responsibility to make sure that the design and construction of each Premises is in compliance with all applicable laws, ordinances, orders, rules, and regulations. Franchisee shall indemnify and hold Franchisor Indemnified Parties harmless against any and all claims, actions, causes of action, costs, fees, fines and penalties, of every kind and nature, should the design and/or construction of any Premises fail in any way to comply with any applicable laws, ordinances, orders, rules, and regulations, including, without the limitation, the Americans with Disabilities Act.

(h) **Signs.** Franchisee shall prominently display, at its own expense, both on the interior and exterior of the Headquarters or any Satellite advertising signs in such form, color, number, location, and size, and containing such Marks, logos and designs as Franchisor shall designate. Franchisee will be responsible for ordering any required signage at Franchisee's expense. Franchisee shall obtain all permits and licenses required for such signs and shall also be responsible for ensuring that all signs comply with all laws, ordinances, orders, rules, and regulations. Franchisee shall not display in or upon any Premises any sign or advertising of any kind to which Franchisor objects. Franchisee shall obtain Franchisor's prior approval for any exterior, interior, or vehicle signage and wraps.

(i) **Inspections.** Franchisee hereby grants Franchisor and its agents the right to inspect each Premises, and the operations of the Franchised Business, with or without notice, in person or remotely via communications technology, in order to inspect, photograph, and/or record by video any construction, remodeling, and equipping of any Premises as well as the operations of the Franchised Business to ensure compliance with all requirements of this Agreement. Such inspections may occur at any Premises or at any location where the products and services of the Franchised Business are provided, including at customer's locations. These inspections may occur any time after the execution of this Agreement, including before Franchisee has commenced operations of the Franchised Business. Franchisee will cooperate with Franchisor's representatives in those inspections by rendering whatever assistance Franchisor may reasonably request, including using communications or audiovisual technology, such as a smartphone, to facilitate the remote inspection by Franchisor or Franchisor's agents and the assistance necessary to enable Franchisor to contact and interview architects, designers, contractors, vendors, and employees, as well as Franchisee's customers and former customers. Upon reasonable notice from Franchisor, and without limiting Franchisor's other rights under this Agreement, Franchisee will take such steps as may be necessary to correct the deficiencies detected during any such inspection, including to repairing, updating, or replacing anything that does not conform with Franchisor's standards

and specifications and modifying its operations to comply with Franchisor's standards and specifications. Franchisee acknowledges and agrees that any and all inspections by Franchisor and all demands made by Franchisor to correct deficiencies and conform to Franchisor's standards and specifications will not constitute a representation or warranty by Franchisor that a Premises, the Franchised Business, or the Franchised Business operations comply with applicable laws, ordinances, orders, rules, regulations, codes, and governmental standards. Upon reasonable written notification from Franchisor of a scheduled inspection, an Operating Owner or Operations Manager must be present during the inspection. In connection with the inspection and during the inspection, Franchisee also agrees to provide any documents, books, and records to Franchisor or its agent that Franchisor may request.

(j) **Remodeling and Refurbishing.** Franchisor reserves the right to require Franchisee to generally refurbish the Franchised Business and/or each Premises at Franchisee's expense, in order to conform to the building design, trade dress, sales displays, color schemes and presentation of the Marks in a manner consistent with the then-current image for WINDOW WORLD franchises. These updates may include, without limitation, structural changes, installation of new sales displays and signage, updating of branding materials, remodeling, redecoration, changing color schemes, and modifications and/or repairs to existing improvements. Nevertheless, Franchisor shall not require Franchisee to update its signage, sales displays, and color schemes more than one (1) time every five (5) years; provided, however, that this limitation shall not apply if the updating is related to Franchisor's modification of the Marks under the circumstances described in Section 7(d). FRANCHISEE ACKNOWLEDGES THAT REMODELING AND REFURBISHING REQUIRED BY FRANCHISEE MAY INVOLVE SUBSTANTIAL ADDITIONAL INVESTMENT BY FRANCHISEE DURING THE INITIAL TERM OF THIS AGREEMENT. These remodeling and refurbishing obligations are in addition to Franchisee's general responsibility to maintain the condition and appearance of each Premises consistent with Franchisor's then-current standards and specifications. Franchisee must keep each Premises in the highest degree of cleanliness, orderliness, and repair, as determined by Franchisor.

## **7. Proprietary System and Marks; Franchisor Property Rights.**

(a) **Ownership.** Franchisor and its affiliates shall have and retain all rights associated with the Marks and System other than those expressly licensed herein. Franchisee acknowledges that any unauthorized use of the System or the Marks is and shall be deemed an infringement of Franchisor's or its affiliates' rights. Franchisee shall have no right, and shall undertake no action, to sublicense the Marks. Franchisee shall execute any documents deemed necessary by Franchisor and its affiliates or their counsel for the protection of the System and the Marks or to maintain their validity or enforceability, or to aid Franchisor and its affiliates in acquiring rights in or in registering any of the System and the Marks or any trademarks, trade names, service marks, slogans, logos, and emblems subsequently adopted by Franchisor. Franchisee shall give notice to Franchisor of any knowledge that Franchisee acquires of use by others of the same or similar names or marks or of any claim or litigation instituted by any person or legal entity against Franchisee involving the System or any of the Marks. Franchisor and its affiliates may take the action they deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other proceeding arising from any infringement, challenge, or claim or otherwise concerning any Marks and the System. Franchisee shall cooperate

with Franchisor and its affiliates in any suit, claim or proceeding involving the System or the Marks or their use to protect Franchisor's and its affiliates' rights and interest in the System and the Marks. In the event of any settlement, award or judgment rendered in favor of Franchisor and its affiliates relating to the use or ownership of the System or the Marks, such settlement, award or judgment shall be the sole property of Franchisor and its affiliates and Franchisee shall not be entitled to or make any claim for all or any part of it. Franchisee acknowledges and agrees that (i) the restrictions set forth in this Agreement are reasonable and necessary for the protection of value of the Marks and the goodwill associated with the Marks, (ii) any violation of this Agreement would cause substantial and irreparable injury to Franchisor, (iii) and that Franchisor would not have entered into a business relationship with Franchisee or enter into this Agreement without receiving Franchisee's unrestricted promise to use the Marks only in the manner authorized by Franchisor.

**(b) Use of Marks.** Whether directly or indirectly, Franchisee shall not commit at any time any act of infringement or contest or aid in contesting the validity or ownership of the System or the Marks or take any other action to disparage them. Franchisee shall use the System and Marks only in connection with the operation of the Franchised Business and shall use them only in the manner authorized by Franchisor. Franchisee shall prominently display the Marks in the manner prescribed by Franchisor, including on all signs, advertising materials, sales displays, supplies, vehicle wraps, and related materials designated by Franchisor. Franchisee shall not fail to perform any act required under this Agreement or commit any act which would impair the value of the Marks, the System, or the goodwill associated with the Marks and System. Franchisee shall not at any time engage in any business or market any products or service under any name or mark which is confusingly or deceptively similar to any of the Marks. Franchisee shall not use any of the Marks as part of its corporate or trade name and shall not use any trademark, trade name, service mark, logo, slogan or emblem in connection with the Franchised Business that has not been authorized by Franchisor. Franchisee shall obtain such fictitious or assumed name registrations as may be required by Franchisor or applicable state law. Franchisee shall not attempt to register or otherwise obtain any interest in any Online Presence containing or utilizing any of the Marks or any other word, name, symbol, or device which is likely to cause confusion with any of the Marks. Franchisee also acknowledges that its use of the Marks and System pursuant to this Agreement does not give Franchisee any ownership or other interest in or to the Marks and System, except the license granted by this Agreement. **Franchisee shall not use any of the Marks in connection with employee-facing labor or employment materials.**

**(c) Designation as Franchisee.** Franchisee shall take such additional action as may be necessary under the laws of the state in which the Franchised Business is operated to make clear to the public that Franchisee is an independent franchisee of Franchisor and not owned by Franchisor. Franchisee shall at all times hold itself out to the public as an independent contractor by, without limitation, posting in a conspicuous location at all Premises, Online Presences, on invoices, purchase orders, public records, checks, stationery, employment applications and documents, electronic communications, customer contracts, advertising materials and the like that **"This WINDOW WORLD franchise is independently owned and operated by (name of franchisee entity) under license from WINDOW WORLD, INC."**

(d) **Discontinuance of Use; Additional Intellectual Property.** Franchisor has the right to change, revise, or substitute different Marks for use in identifying the System, the Franchised Business, and the products or services sold or offered for sale through the Franchised Business, if Franchisor, in its sole discretion, determines that change, revision, or substitution of different Marks will be beneficial to the System. Franchisor has the same rights with respect to any copyrights, patents, Inventions and Ideas, or other intellectual property as it does with the Marks. In such circumstances, the use of the substitute intellectual property shall be governed by the terms of this Agreement. Franchisee shall comply with each such change, revision, or substitution and bear all expenses associated therewith. In the event that a court of competent jurisdiction should order, or if Franchisor in its sole discretion should deem it necessary or advisable, Franchisee shall modify or discontinue use of any intellectual property (including without limitation, any Mark). Franchisee shall comply with Franchisor's directions regarding any such intellectual property within thirty (30) days after receipt of notice from Franchisor or, if such modification or discontinuance is court-ordered, immediately. Franchisor shall not be obligated to compensate Franchisee for any costs or expenses incurred by Franchisee in connection with any such modification or discontinuance. Franchisee shall also use such additional or substitute intellectual property (including without limitation, any Marks) as Franchisor shall direct.

(e) **Changes in Law Affecting Marks.** In the event that trademark law is amended so as to render inapplicable any of the provisions of this Agreement, Franchisee shall sign any documents and do such other act and things as in the opinion of Franchisor and its affiliates may be necessary to effect the intent and purpose of the provisions of this Agreement.

(f) **Copyrights and Patents.** Franchisee acknowledges that as between Franchisee and Franchisor, any and all present or future copyrights relating to the System or WINDOW WORLD concept, including, but not limited to, the Manuals, electronic code, software, and advertising materials, belong solely and exclusively to Franchisor. Franchisee acknowledges that as between Franchisee and Franchisor, any and all present or future patents relating to the System or WINDOW WORLD concept belong solely and exclusively to Franchisor. Franchisee has no interest in Franchisor's copyrights or patents beyond the nonexclusive License granted in this Agreement. Franchisee agrees to notify Franchisor immediately of any apparent infringement or challenge to Franchisee's use of any copyright or patent, or of any person's claim of any rights in any copyright or patent. Franchisee agrees not to communicate with any person other than Franchisor, Franchisor's affiliates, and their respective attorneys regarding any infringement, challenge, or claim. Franchisor and its affiliates may take the action they deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office or U.S. Copyright Office, proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any patent or copyright. Franchisee agrees to sign any documents and take any other reasonable action that, in the opinion of Franchisor or its affiliates, are necessary or advisable to protect and maintain Franchisor's and its affiliates interests in any litigation or other proceeding or otherwise to protect and maintain Franchisor's and its affiliates' interests in the copyrights and patents.

(g) **Inventions and Ideas.** All concepts, designs, inventions, ideas, applications, trademarks, service marks, enhancements, modifications, improvements or other processes, methods and designs, technologies, techniques, materials, computer software, electronic code,

original works or authorship, formulas, patents, copyrights, advertising and business plans and ideas, and all improvements and enhancements thereto that Franchisee or its affiliates, directors, officers, managers, employees, contractors, or agents may develop, invent, discover, conceive or originate, alone or in conjunction with any other person or persons (A) during the Initial Term and during any Renewal Term that relate in any way, either directly or indirectly, to the Franchised Business and/or the System and that (B) are at any time developed, invented, discovered, conceived, or originated by using any of Franchisor's Confidential Information (collectively referred to as "Inventions and Ideas"), either in whole or in part, shall be the exclusive property of Franchisor. Franchisee must promptly disclose the existence of any and all Inventions and Ideas to Franchisor. To the extent any Inventions or Ideas does not qualify as a "work for hire" for Franchisor, Franchisee and its affiliates, directors, officers, managers, employees, contractors, and agents hereby assign to Franchisor, without compensation, all right, title and interest in such Inventions and Ideas, and agree that they will execute any and all instruments and do any and all acts necessary or desirable to establish and perfect in Franchisor the entire right, title and interest in such Inventions and Ideas. As Franchisor may reasonably request, Franchisee shall, at Franchisor's expense, take all actions reasonably necessary to assist Franchisor's efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by Franchisee or not.

**(h) Customer and Other Data.** Franchisee shall maintain a data set of the names, sales and service history, measurements for products that are ordered and/or installed for customers, customer contracts, home addresses, email addresses, and telephone numbers of the customers and past customers who have provided such information to the Franchised Business, as well as documentation about permissions or consent the customers may have granted Franchisee, the Franchised Business, Franchisor, or a vendor ("Customer List"). Franchisee shall not collect, use, process, store, share, or sell any information from the Customer List to or with any person or entity other than Franchisor without the express written consent of Franchisor. Franchisee shall not delete any information that is in the Customer List without Franchisor's prior written consent or unless doing so is in accordance with the Data Protection and Security Policies. Likewise, other data collected by Franchisee or Franchisee's Computer Systems in connection with the Franchised Business (Customer List and the other data collectively referred to herein as "Franchised Business Data") is deemed to be owned by Franchisor and Franchisor shall have the right to use the Franchised Business Data for any purposes, in Franchisor's sole discretion. Franchisee agrees to furnish the Franchised Business Data to Franchisor at any time that Franchisor requests it. Franchisee shall also use the Computer Systems that Franchisor designates to create, store, maintain, and share the Franchised Business Data. Franchisor hereby grants Franchisee a limited license to use Franchised Business Data during the Initial Term and any Renewal Term, but only in accordance with the standards, specifications, procedures, and policies that Franchisor establishes periodically and applicable laws, ordinances, orders, rules, and regulations. Upon termination, non-renewal, transfer, or expiration of this Agreement for any reason, Franchisor shall be the exclusive owner of Franchised Business Data and Franchisee shall not collect, sell, disclose, share, transfer, or use the Franchised Business Data in any form or manner. Franchisee shall not be due any compensation based upon Franchisor's use of the Franchised Business Data. Franchisee may not collect, sell, disclose, share, transfer, or use Franchised Business Data for any purpose other than operating the Franchised Business by offering and selling WINDOW WORLD



products and services. The Customer List and Franchised Business Data are expressly subject to the provisions of Section 9(k) and may constitute Personal Information.

(i) **Indemnification With Respect to Use of the Marks.** Provided Franchisee complies at all times with this Agreement, Franchisor shall (A) indemnify Franchisee against and reimburse Franchisee for damages assessed against Franchisee, (B) defend Franchisee from claims, and (C) protect Franchisee against claims of infringement or unfair competition, if any, arising directly from Franchisee's authorized use of the Marks. Otherwise, Franchisor shall not be required to indemnify Franchisee against or reimburse Franchisee for any loss or damages arising out of Franchisee's use or misuse of any Mark. Franchisor shall not indemnify Franchisee for any use or misuse of Franchisor's copyrights, patents, Customer Lists, Franchised Business Data, or indicia.

(j) **Use of Name and Likeness.** Franchisee hereby grants to Franchisor a perpetual, worldwide license to use, reproduce, print, publish, broadcast, and rebroadcast, as well as to copyright, Franchisee's name, testimonial statement, voice, picture, and likeness in any and all media types of advertising for Franchisor, the WINDOW WORLD brand, and Franchisor's products and services. Franchisee understands it will not have any ownership in said advertising materials, nor will it be compensated for such use by Franchisor. Franchisee waives any right to review advertising materials prior to publication.

## **8. Advertising.**

(a) **Regional Cooperative Advertising.** Franchisee agrees that Franchisor shall have the right, in its sole discretion, to designate from time to time a geographical area in which the Franchised Business is located for the purpose of establishing an advertising cooperative ("Cooperative"). If a Cooperative has been established applicable to the Franchised Business at the time Franchisee executes this Agreement, Franchisee shall immediately become a member of such Cooperative. If a Cooperative applicable to the Franchised Business is established at any later time, Franchisee shall become a member of such Cooperative no later than thirty (30) days after the date on which the Cooperative commences operation. In no event shall the Franchised Business be required to contribute to more than one Cooperative. Franchisor has the sole discretion to create, change, dissolve, or merge a Cooperative. Franchisor has the sole discretion to determine membership of a Cooperative. The following provisions shall apply to each Cooperative:

(i) Each Cooperative shall be organized and governed in a form and manner, and shall commence operation on a date, approved in advance by Franchisor in writing. The Cooperative may determine its own voting procedures, subject to Franchisor's approval.

(ii) Each Cooperative shall be organized for the purposes of producing and conducting general advertising programs and activities for use in and around the applicable geographic area and developing standardized promotional materials for use by the members.

(iii) Franchisor shall make contributions to each Cooperative of which it is a member through its operations of store selling exterior remodeling products in a regional area on the same basis as required of comparable franchisees within the Network.

(iv) No advertising programs or materials may be used by the Cooperative or furnished to its members, and no advertising or promotional activities may be conducted by the Cooperative, without the prior written approval of Franchisor. All such programs, materials and planned activities shall be submitted to Franchisor for approval in accordance with the procedure set forth below.

(v) Each cooperative shall have the right to require its members to make contributions to the Cooperative in such amounts as are determined by the governing body of the Cooperative, provided that in no event shall Franchisee be required to contribute more than three percent (3%) of its annual gross revenues to the Cooperative.

(vi) Franchisee shall make its contributions to the Cooperative on the date and in the manner designated by the Cooperative. Franchisee shall also submit such statements and reports as may be designated from time to time by the Cooperative. The Cooperative shall submit to Franchisor such statements and reports as Franchisor may designate from time to time. The Cooperative shall prepare written governing documents that shall be available to Franchisee for review. Franchisor may recommend or mandate the form of written governing document. The Cooperative must prepare unaudited quarterly and annual financial statements prepared by an independent certified public accountant and these statements must be made available to all franchisees in the Cooperative.

(vii) Notwithstanding the foregoing, Franchisor, in its sole discretion, may, upon written request of a franchisee stating reasons supporting such request, grant to any franchisee an exemption from the requirement of membership in a Cooperative. Such an exemption may be for any length of time and may apply to one or more Franchised Businesses owned by such franchisee. If an exemption is granted to a franchisee, such franchisee may be required to expend on local advertising the full amount that would otherwise be payable to the Cooperative. Franchisor, in its sole discretion, may also exempt one or more WINDOW WORLD businesses owned or controlled by Franchisor or its affiliates from the requirement of membership in a Cooperative for such periods as Franchisor deems appropriate.

(viii) The Cooperative is not a trust fund. Franchisor shall have no fiduciary duty to Franchisee in connection with the collection or use of the Cooperative monies or any aspect of the operation of the Cooperative.

(b) **Minimum Local Advertising Amount.** Franchisee shall spend a minimum of Thirty Thousand Dollars (\$30,000) on an initial, three (3) month local advertising campaign. Franchisee shall be required to spend at least seven percent (7%) of the gross revenues of the Franchised Business from the immediately preceding calendar year on local advertising to promote the Franchised Business ("Minimum Local Advertising Amount"). Franchisor shall have the right and sole discretion to waive, defer, reduce, or permit variations from the Minimum Local

Advertising Amount to any franchisee based on performance, longevity, peculiarities of a particular territory or any other circumstances. Franchisee is required to provide Franchisor with the documentation Franchisor requires to prove that Franchisee is meeting the requirement set forth herein. Any amount Franchisee contributes to a Cooperative shall count toward Franchisee's Minimum Local Advertising Amount.

(c) **Supplemental Advertising.** Franchisee shall have the right to conduct, at its separate expense, supplemental advertising in addition to the expenditures specified in this Section 8. All such supplemental advertising shall either have been prepared by Franchisor or approved by Franchisor pursuant to Section 8(e).

(d) **Directory Advertising.** Franchisee shall arrange for the listing of the Franchised Business's name, telephone number, address, and email address in any print or online directory designated by Franchisor under the name "WINDOW WORLD" or such other name as Franchisor may designate. All advertising in such media (beyond a simple listing of name, email address, address, and telephone number) shall be subject to Franchisor's approval. Franchisor has the right to arrange for directory listings for Franchisee, in which case Franchisee shall reimburse Franchisor as Franchisor requests. Franchisee's rights to use and benefit from its telephone number, email address, and directory listings are subject to the provisions of Section 15 of this Agreement.

(e) **Approval by Franchisor.** Any and all advertising materials Franchisee uses must be approved by Franchisor. Prior to their use by any Cooperative or by Franchisee, all advertising materials not prepared or previously approved by Franchisor within the ninety (90) day period preceding their intended use shall be submitted to Franchisor for approval. If disapproval is not received within twenty (20) days from the date of receipt by Franchisor of such materials, the materials shall be deemed approved by Franchisor. Franchisor may disapprove of any advertising materials at any time, and Franchisee shall immediately cease using such disapproved materials. Neither any Cooperative nor Franchisee shall use any disapproved advertising materials regardless of whether any such items had been previously approved by Franchisor. Franchisee shall have no rights to sublicense the Marks in any of its advertising.

(f) **Franchisor Advertising.** Franchisor may, from time to time, expend its own funds to produce such advertising materials and conduct such advertising as it deems necessary or desirable. In any advertising conducted solely by or for Franchisor, Franchisor shall have the sole discretion to determine the products and geographical markets to be included, and the medium employed and Franchisor shall not have any duty or obligation to supply Franchisee with any advertising materials produced by or for Franchisor at its sole expense. Franchisor may, from time to time, offer to provide to Franchisee such approved advertising plans and materials as Franchisor deems advisable. Franchisor expressly disclaims and Franchisee hereby acknowledges that Franchisee has not received or relied upon any warranty regarding the success of any advertising plans or materials recommended by Franchisor for use by Franchisee. Further, Franchisee acknowledges and agrees that all advertising plans and materials created in whole or in part by Franchisor are and remain the exclusive property of Franchisor. Franchisor shall have the right to include promotion of available franchises in all advertising materials, including, but not limited to, signage in Franchised Business, an Online Presence, print media, and TV or radio spots. Franchisor

may require Franchisee to do the same in the advertising materials Franchisor approves for Franchisee's use.

(g) **Ownership of Advertising.** Franchisor shall be the sole and exclusive owner of all materials and rights which result from advertising program produced and conducted, whether by Franchisee, Franchisor, or a Cooperative. Any participation by Franchisee in any advertising, whether by monetary contribution or otherwise, shall not vest Franchisee with any rights in the Marks employed in such advertising or in any tangible or intangible materials or rights, including, copyrights, generated by such advertising. If requested by Franchisor, Franchisee shall assign to Franchisor any contractual rights or copyright it acquires in any advertising.

(h) **Online Presence and Email Address.**

(i) **Definition.** An "Online Presence" includes (A) a web site, other webpages, URLs, or domain names, (B) accounts, pages, or profiles on social media sites, social networking sites, news sites and groups, online, internet, or digital directories, video, photography, audio, and messaging services, blogs, or forums, (C) e-commerce sites or accounts, (D) digital or online advertising content and services, (E) mobile applications, (F) virtual reality platforms, (G) identifiers of an Online Presence, or (H) a presence on any other type of online, internet, or digital tool, product, or service that may be developed.

(ii) **Establishing an Online Presence.** Franchisee will not, directly or indirectly, establish or operate an Online Presence or email address that in any way concerns, discusses or alludes to the Franchisor, System, Marks, products and services of the Franchised Business, or Franchised Business without Franchisor's written consent, which Franchisor is not obligated to provide. If approved to establish an Online Presence or email address, Franchisee shall comply with Franchisor's standards and specifications with respect to the creation, maintenance, and content of any such Online Presence or email address. The Marks may not be used as part of, in conjunction with, to establish or to operate any Online Presence or email address, unless specifically approved by Franchisor, which approval Franchisor is not obligated to provide. Franchisor shall have the right to modify the provisions of this Section 8(h)(ii) relating to any Online Presence as Franchisor shall solely determine is necessary or appropriate. Franchisor alone has the right, but not the obligation, to establish, maintain, modify, or discontinue all internet and electronic commerce activities pertaining to the System and Marks, including through any Online Presence. Franchisor shall have the right, but not the obligation, to designate one or more webpage(s) or other form of Online Presence to describe Franchisee and/or the Franchised Businesses, with such webpage(s) or Online Presence to be located within Franchisor's web site or another Online Presence. Franchisor shall not be liable for downtime that may occur to any such Online Presence or email address, whether such downtime is caused by Franchisor or a third-party. Franchisee shall comply with Franchisor's standards, specifications, and policies with respect to the creation, maintenance, and content of any such web page(s) and any other Online Presence and email addresses. Franchisor shall have the right to refuse to post and/or discontinue posting any content and/or the operation of any webpage or Online Presence.

(iii) **Guidelines.** Franchisee will not post, and will take such steps as necessary to ensure that its directors, officers, managers, employees, contractors, and agents do not post, any information to an Online Presence relating to the Franchisor, the System, the Marks, or the Franchised Business that (A) does not comply with Franchisor's then-current brand, social media, or Online Presence guidelines, (B) is derogatory, disparaging, or critical of Franchisor, the System or the Marks, (C) is offensive, inflammatory or indecent, or (D) harms the goodwill and/or public image of the System and/or the Marks. Franchisee shall not establish or permit or aid anyone else to establish any links to any Online Presence which Franchisor may create. Franchisee specifically acknowledges and agrees that any Online Presence will be deemed "advertising" under this Agreement and will be subject to (among other things) Franchisor's approval under this Agreement. Upon request, Franchisee must provide Franchisor with any login credentials for any Online Presence or email address Franchisee is authorized to create, use, or maintain, and Franchisor shall have the right to access each. Franchisor has the right to take corrective action if any content or post on the Online Presence is in violation of Franchisor's standards, specifications, or policies.

(iv) **Ownership.** Franchisor alone will be, and at all times remain, the sole owner of the copyrights and all other intellectual property rights to all material which appears on any Online Presence, including any and all material Franchisee may furnish to Franchisor for use on an Online Presence. Ownership of all URLs and other identifiers with any such Online Presence shall vest exclusively in Franchisor, regardless of the extent of Franchisor's involvement in the content, design, or management of the Online Presence. Any Online Presence or email address that Franchisee is approved to create or use shall be owned by Franchisor, and Franchisee shall sign all agreements and documents Franchisor deems necessary to evidence this. If for any reason Franchisee gains any interest in an Online Presence for the Franchised Business, Franchisee can require Franchisee to assign it to Franchisor upon thirty (30) days' notice.

## **9. Operations.**

(a) **Manuals.** Franchisor will provide Franchisee with one (1) or more manuals, policy and procedure statements, or other written notice of standards, specifications, and policies which shall contain (i) the mandatory and suggested specifications, standards, and operating procedures prescribed from time to time by Franchisor and (ii) information relative to other obligations of Franchisee hereunder and the operation of the Franchised Business (collectively, the "Manuals"). For purposes of this Agreement "Manuals" also includes separate manuals and alternative or supplemental communications of Franchisor such as by an owner's portal web site or extranet, bulletins, emails, video, audio, and other electronic or print methods. The Manuals shall at all times remain the sole property of Franchisor and shall promptly be returned to Franchisor upon the expiration, non-renewal, or other termination of this Agreement for any reason. Franchisee acknowledges and agrees that all information in the Manuals, and other notices constitute Confidential Information and trade secrets, and shall not be disclosed at any time by Franchisee. Franchisee shall not copy, disclose, duplicate, record or otherwise reproduce, in whole or in part, for whatever reason, the Manuals. Franchisor shall have the right to modify the policies, standards, specifications, and procedures of the Manuals at any time, which modifications shall be binding

upon Franchisee. In the event Franchisee has a different version of the Manuals than those maintained at Franchisor's headquarters, Franchisor's headquarters copy shall govern. Franchisee acknowledges that the Manuals are designed to protect Franchisor's Marks, brand image, goodwill, standards, and systems, and not to control the day-to-day operation of the Franchised Business. The parties acknowledge and agree that nothing herein shall be interpreted to mean that Franchisor controls the daily operations of Franchisee.

(b) **Compliance with Franchisor's Standards.** Franchisee shall, and agrees to, operate the Franchised Business through strict adherence to Franchisor's mandatory standards, specifications, and policies as they now exist, and as they may from time to time be modified. Franchisee agrees it is responsible for any violations of such standards, specification and policies by Franchisee's affiliates, officers, directors, managers, employees, contractors, and agents. Franchisee must abide by all manufacturer requirements for the installation of any products in its, or its independent contractors', performance of any services. In providing the products and services of the Franchised Business, Franchisee must not use and distribute materials and contracts unless such materials and contracts have been accepted by Franchisor. Unless otherwise permitted by Franchisor, Franchisee must use a contract accepted by Franchisor.

(c) **Variations in Standards.** Because complete and detailed uniformity under varying conditions may not be possible or practical, Franchisor specifically reserves the right, in its sole discretion and as it may deem in the best interests of Franchisee or the Network, to vary standards and specifications for the Franchised Business or any other business in the Network based upon peculiarities of particular locations or circumstances, including, but not limited to, density of population and other demographic factors, territory size, business practices or customs, or any other condition which Franchisor deems to be of importance. Franchisee acknowledges that because of these factors and others, there may be variations from standards and specifications throughout the Network, and that Franchisee shall not be entitled to require Franchisor to grant like or similar variations or privileges to Franchisee.

(d) **Compliance with Laws.** Franchisee shall at all times comply with all laws, ordinances, orders, rules, and regulations of all applicable governmental bodies, and pay any and all taxes, insurance, assessments, fines, and penalties arising out of the operation of the Franchised Business, including state and federal unemployment taxes, workers' compensation insurance, and sales taxes. If Franchisee fails to make a tax payment and Franchisor does so on Franchisee's behalf, Franchisee must reimburse Franchisor. Franchisee shall not engage in any illegal discriminatory practices. At its own expense, Franchisee shall determine what licenses, permits, authorizations, or certifications are required to operate the Franchised Business, sell all required products and services, and operate in accordance with Franchisor's standards and specifications under this Agreement and thereafter obtain and maintain each of them. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all laws, ordinances, orders, rules, and regulations. Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities as provided in Section 16(b) of this Agreement pertain to Franchisee's obligations under this subsection.

(e) **Business Relationships and Practices.** At all times and in all circumstances, Franchisee shall (i) act according to the highest standards of honesty, integrity, fair dealing, and

ethical conduct in dealing with customers, vendors, employees, contractors, and Franchisor and its agents, (ii) treat all customers, vendors, employees, contractors, and Franchisor and its agents with the utmost respect and courtesy, (iii) fully cooperate with Franchisor and its representatives in all aspects of the franchise relationship, (iv) refrain from any practice which may injure the goodwill associated with the Marks and System, (v) operate the Franchised Business in a financially sound, prudent, and business-like manner and, without limiting the generality of the foregoing, pay all its bills and accounts promptly when due, (vi) take no action, or omit to take any action, the result of which would be to tend to disrupt, damage or jeopardize Franchisee's relationship with vendors or customers, Franchisor's good reputation, or the good reputation of the Franchised Business and its products and services, Marks, System, and Network, and (vii) not engage in any trade practice or other activity which constitutes deceptive or unfair competition or otherwise is in violation of any applicable laws, ordinances, orders, rules, and regulations. Franchisee will notify Franchisor in writing within five (5) days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which relates to, or which may affect the operation or financial condition of, Franchisee, the Franchised Business, the Network, and/or the Marks. Franchisee also shall immediately notify Franchisor in writing when one (1) or more judgments are filed against the Franchisee and/or the Franchised Business under this Agreement.

**(f) Warranty and Labor Programs.** Franchisee shall participate in any warranty and labor programs Franchisor requires and shall pay all fees and costs associated therewith. If Franchisee is purchasing this Franchised Business pursuant to a transfer from another franchisee, then Franchisee must assume, at Franchisee's sole expense, all warranty and labor obligations that were given to any customers by any prior franchisees, regardless of whether such customers are located inside or outside Franchisee's Territory. Unless otherwise designated in writing by Franchisor, as long as Franchisee or its affiliates have one or more active franchise agreement(s) with Franchisor, Franchisee or its affiliates shall be responsible for all warranty and labor obligations given to any of Franchisee's customers; provided, however, that if the area where the customer is located is incorporated into the territory of another franchisee, Franchisee shall no longer be responsible for the associated warranty and labor obligations. If any part of the Territory is relinquished or terminated and such relinquished or terminated area becomes a Gray Area, Franchisee or its affiliates shall continue to responsible for all warranty and labor obligations given to customers in that Gray Area for as long as that area remains a Gray Area and Franchisee or its affiliates have an active franchise agreement with Franchisor.

**(g) Franchisee Control and Employee Matters.**

**(i) Franchisee Responsibility.** Franchisee acknowledges that it is responsible for the day-to-day operation of its Franchised Business, including payroll, worker's compensation insurance, financial management, hiring, setting the conditions of employment, determining employee and independent contractor compensation, hours of work and scheduling, workplace health and safety, assignment, work rules and directions for the work performance, supervision, discipline and termination of all personnel, purchases and maintenance of equipment and supplies, preparing Franchisee's own advertising plans and funding and implementing those advertising plans, maintenance of employment records, and daily maintenance, safety, security and compliance with the

Manuals. Franchisor's ability to approve certain matters, to inspect the Franchised Business and its operations and to enforce its rights, exists only to the extent necessary to protect its interest in the System and the Marks. Neither the retention nor the exercise of these rights is for the purpose of establishing any control, or the duty to take control, over those matters that are clearly reserved to Franchisee.

(ii) **Training.** It will be solely Franchisee's responsibility to ensure that all employees are trained to perform their duties in a proper manner at the Franchised Business. Franchisee shall implement and maintain an employee training program, at Franchisee's expense. Franchisee shall ensure that all employees have all necessary certifications, permits, licenses, and credentials as required by applicable laws, ordinances, orders, rules, and regulations necessary to work in the Franchised Business, including driver's licenses, and that all employees must satisfy all continuing educational training requirements as may be specified by applicable laws, ordinances, orders, rules, and regulations. Franchisee shall also ensure that any independent contractor Franchisee contracts with also has the required licenses and qualifications to perform the contracted work for Franchisee. In the event that Franchisor provides training to Franchisee's employees upon Franchisee's request, Franchisee hereby releases, indemnifies, and holds harmless Franchisor Indemnified Parties from all claims, causes of action, expenses, costs, debts, fees, liabilities and damages of every kind arising out of or related to the training and/or the continuing education of Franchisee's employees as set forth herein. Franchisor reserves the right to assess a training fee or attendance fee for any conferences, conventions, or other training Franchisor or its approved vendors provide. Franchisor may mandate trainings and restrict non-owners from attending.

(iii) **Employment Matters.** Franchisee's employees are not Franchisor's agents or employees, and Franchisor is not a joint employer of these individuals. Franchisee acknowledges that it is not economically dependent on Franchisor, and that Franchisor does not provide facilities, equipment or house or transport Franchisee's employees or provide to Franchisee's employees tools or materials required for Franchisee's employees to perform services for Franchisee. Franchisee shall comply with all employment laws, ordinances, orders, rules, and regulations. At all times, Franchisee shall ensure that Franchisee and Franchisee's employees are in compliance with all federal, state, and local laws, ordinances, orders, rules, and regulations. Franchisee shall obtain from each of its employees an acknowledgment signed by such persons providing that such individual understands, acknowledges, and agrees that (i) he or she is an employee of Franchisee and not Franchisor and (ii) he or she shall look solely to Franchisee, and not to Franchisor or its affiliates, agents, or employees, for his or her compensation and for all other employment matters. Franchisee shall obtain from each of its independent contractors an acknowledgment signed by such contractors providing that such contractor understands, acknowledges, and agrees that (A) the contractor is an independent contractor of Franchisee and not Franchisor and (B) the contractor shall look solely to Franchisee, and not to Franchisor or its affiliates, agents, or employees, for any contractual or payment matters between Franchisee and contractor. Franchisee must employ a sufficient number of employees or contract with a sufficient number of contractors to ensure efficient service to customers.



**(h) Crisis Situations.** Franchisee shall notify Franchisor immediately upon the occurrence of any situation that may have a material impact on Franchisee, Franchisor, the Franchised Business, or which could have a deleterious effect on the WINDOW WORLD brand, Marks or System (“Crisis”). Franchisee shall follow all of Franchisor’s policies, procedures, and instructions in every such situation, including, without limitation, managing public relations and communications, as directed by Franchisor or as specified in the Manuals, whether or not Franchisee has retained outside counsel or a public relations firm to assist with such matters. Franchisor will have the right to take control of the management of public communications if Franchisor determines that the publicity surrounding the event is likely to have a material adverse effect on the reputation or goodwill of the Franchised Business, Marks, System, or Franchisor. Franchisee will obtain Franchisor’s consent before any press releases, interviews or public statements are issued by Franchisee, or anyone on its behalf, about events that are likely to receive or are receiving significant negative public attention related to the Franchised Business, Marks, System, or Franchisor. A “Crisis” includes, but is not limited to, any event that occurs at, with, or about each Premises or customer location that has or may cause harm or injury to customers or employees, car accidents, contagious diseases, natural disasters, terrorist acts, or shootings. Franchisee will cooperate fully with Franchisor with respect to Franchisor’s response to the Crisis. In the event of the occurrence of a Crisis, Franchisor may establish emergency procedures which may require Franchisee to temporarily cease to operate the Franchised Business to provide services to customers, in which event Franchisor shall not be liable to Franchisee for any loss or costs, including consequential damages or lost profits occasioned thereby.

**(i) Books and Records; Financial Reporting.**

**(i) Books and Records.** Franchisee shall maintain during the Initial Term, and any Renewal Term, of this Agreement, and shall preserve for at least seven (7) years from the dates of their preparation or from the date this Agreement terminates, expires, transfers, or does not renew, whichever is longer, and shall make available to Franchisor at Franchisor’s request and at Franchisee’s expense, full, complete and accurate books, records, and accounts for the Franchised Business in accordance with generally accepted accounting principles. Franchisee must use QuickBooks software (or another Computer System designated from time to time by Franchisor) for Franchisee’s accounting system. Franchisee shall maintain its books using the accrual accounting method (Franchisee may use cash basis for tax purposes). Franchisee shall maintain such records at the Headquarters, unless otherwise authorized by Franchisor. Franchisee agrees at all times to use the chart of accounts, format for financial statements, and bookkeeping procedures established from time to time by Franchisor. Franchisor has the right to require Franchisee to grant Franchisor unlimited, remote, 24/7 access to Franchisee’s books, records, and accounts of the Franchised Business that are accessible through Computer Systems.

**(ii) Submission of Financial Statements and Tax Returns.** Unless Franchisor otherwise designates different dates or grants an exemption to Franchisee, in Franchisor’s sole discretion, each year during the Initial Term, Franchisee shall submit to Franchisor (A) self-generated copies of a balance sheet and profit and loss statement for Franchisee’s business entity (1) by the last business day of February of each calendar year for the prior

calendar year and (2) by the last business day of August of each calendar year for the six (6) months of operations from January 1 through June 30 of the current calendar year, (B) annual reviewed financial statements as prepared by an independent certified public accountant for Franchisee's business entity by August 15 of each calendar year for the prior calendar year. Franchisee shall submit to Franchisor such forms, reports, records, information, and data as Franchisor may designate, in the forms and at the time and place required by Franchisor, upon request and as specified from time to time in the Manual or otherwise in writing, including without limitation, the Franchisee's business entity federal and state tax returns for each year during the Initial Term; provided, however, that if Franchisee's business entity is not a corporation, Franchisee may, at its option, submit only those schedules to its owners' personal tax filings which reflect the revenues and expenses of the Franchised Business.

(iii) **Audit of Franchisee's Records; Inspections.** Franchisor or its designated agents shall have the right at all reasonable times to examine and copy, at Franchisor's expense, the books, records, and tax returns of the Franchised Business and remove copies thereof from any Premises. Franchisor shall also have the right at any time, at Franchisor's expense, to have an independent audit made of the Franchised Business books, records and accounts. If any inspection or audit reveals defaults under this Agreement (including but not limited to the purchase of unapproved products, supplies, and services, purchasing products, supplies, and services from unapproved vendors, failing to provide requested information, or underpayment of required fees) Franchisee shall pay any amount owed to Franchisor or its affiliates and reimburse Franchisor for any and all expenses connected with such inspections or audits, including but not limited to reasonable accounting and legal fees as well as interest and late fees as provided for in this Agreement.

(j) **Computer Systems.** Franchisee, at its expense, shall purchase or lease and thereafter maintain such computer hardware and software, mobile applications, cloud-based systems and/or software, smartphones, tablet, broadband high-speed internet service, active email account, required dedicated telephone and power lines, modems, printers, point-of-sale systems, scheduling systems, electronics, communications systems, robotics, automation systems, and other computer-related or technology-related accessories or peripheral equipment as Franchisor specifies ("Computer Systems"). Franchisor's requirements for the Computer Systems will be updated from time to time as deemed necessary by Franchisor in accordance with changing technology and industry standards and may include the requirement for Franchisee to purchase or lease new Computer Systems. Franchisee must periodically update, as required by Franchisor and/or the Computer Systems' vendors, all Computer Systems solely at the Franchisee's expense. Franchisee may be required to license proprietary Computer Systems directly from Franchisor or Franchisor's affiliates which may include, but is not limited to, a customer relations management system. Franchisee may be required to enter into license agreement(s) with Franchisor or other vendors to provide all or part of the Computer Systems. Notwithstanding anything in this Agreement to the contrary, Franchisor shall not require Franchisee to purchase, lease, or implement any additional or replacement Computer Systems provided by third parties until Franchisee has had twelve (12) months' notice of the required change. For the avoidance of doubt, Franchisee shall comply with any required updates, upgrades, or replacements for Computer Systems supplied by Franchisor or its affiliates.

Franchisor and its agents shall have the right to access all information related to the operation of the Franchised Business that is accessed or stored on the Computer Systems, whether in-person or from a remote location, without the need for Franchisee's consent, at the times and in the manner prescribed by Franchisor, which may be unlimited, remote, 24/7 access. Franchisor may use data from the Computer Systems or from any source utilized by Franchisee which deviates from the Computer Systems in any way it deems fit, and Franchisee agrees to furnish such data to Franchisor at any time that Franchisor requests it. Franchisor has the right to require Franchisee to connect to Franchisor's own computer systems. Franchisee shall provide Franchisor with all required passwords or login credentials to access the Computer Systems and shall grant Franchisor any permissions necessary for Franchisor to view and access the data on the Computer Systems. Data relating to the Franchised Business and/or the System that is generated by, stored on, saved to, downloaded or uploaded to, shared with the Computer Systems is part of the Franchised Business Data owned solely by Franchisor. Notwithstanding anything in this Agreement to the contrary, Franchisor shall not own, or have the right to access without Franchisee's consent, the personal information of Franchisee's employees.

Despite the fact that Franchisee agrees to buy, use, and maintain the Computer Systems according to Franchisor's standards and specifications, Franchisee will have sole and complete responsibility for: (i) the acquisition, operation, maintenance, and upgrading of the Computer Systems, (ii) the manner in which the Computer Systems interfaces with Franchisor's and any third party's computer system, and (iii) any and all consequences if the Computer Systems are not properly operated, maintained, and upgraded. Franchisee may not install any software, other than authorized upgrades, or make any modifications to the Computer Systems that might hamper or interfere with the operation of the Computer Systems in the manner Franchisor requires. Franchisee acknowledges and agrees that Franchisor and its affiliates shall have no responsibility under any circumstances for any malfunction or "crash" of any Computer System provided by or approved by Franchisor or its affiliates, including, but not limited to, for any data lost as a result of such malfunction or "crash." Franchisee agrees to use, and shall cause its officers, directors, managers, employees, independent contractors, and agents to use, the Computer Systems in full compliance with the terms of this Agreement (including the terms of the Manuals) any ancillary agreement applicable to the Computer Systems.

Franchisee must Fully Implement any Computer Systems that Franchisor may require. The definition of "Fully Implement" may be changed by Franchisor from time to time in the Manual. Currently, "Fully Implement" means that Franchisee enters complete and correct data into Franchisor's proprietary customer relationship management system and actively uses its six core functions: budgeting, advertising costs, product list developed, resulting appointments, production pipeline, and service pipeline.

**(k) Data Protection; Privacy.**

**(i) Definition of Personal Information.** As used in this Agreement, "Personal Information" shall mean (A) any information that can be used to identify, locate, or contact an individual or household, including but not limited to Franchisee's employees and

customers and (B) information that is defined as protected personal information under any Privacy Law.

(ii) **Data Protection and Security Policies.** Franchisee shall comply with, or, as applicable, adopt policies consistent with the then-current version of Franchisor's data protection and security policies as may be described in the Manuals ("Data Protection and Security Policies"). Such policies may govern how Franchised Business Data and Personal Information contained in such data shall be collected, used, store, processed, shared, or destroyed. Franchisor has the right, but not the obligation to create such Data Protection and Security Policies. Franchisee acknowledges that Franchisor may supplement, modify, or amend the Data Protection and Security Policies from time to time in its sole discretion, and that Franchisee shall comply with such modifications or amendments within thirty (30) days of notice from Franchisor. Franchisor may require Franchisee to institute a data privacy policy for its Franchised Business. Franchisee shall not publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent.

(iii) **Privacy Laws.** Franchisee warrants and represents and covenants that it shall comply with (A) applicable prevailing industry standards concerning privacy, data protection, confidentiality and information security, including, without limitation, the then-current Payment Card Industry Data Security Standard of the PCI Security Standards Council ("PCI-DSS"), (B) those mandatory Data Protection and Security Policies, if any, and (C) all applicable international, federal, state, and local laws, ordinances, orders, rules, and regulations, as the same may be amended or supplemented from time to time, pertaining in any way to the privacy, confidentiality, security, management, disclosure, reporting, sale, and any other obligations related to the possession or use of Personal Information (collectively, "Privacy Laws").

(iv) **Advertising; Consumer Protection.** Franchisee warrants and represents Franchisee will not transmit or cause any other party to transmit advertisements or solicitations by email, SMS text message, automatic dialing systems, or artificial or prerecorded voice messages, including but not limited to the or other electronic media unless the content and method of such advertisement or solicitation are in compliance with Franchisor's standards and specifications and all laws, ordinances, orders, rules, and regulations, including but not limited to, the U.S. Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003, the Telephone Consumer Protection Act of 1991, the Fair and Accurate Credit Transactions Act, and all other consumer protection laws and regulations, as each may be amended from time to time.

(v) **Security Breach.** Franchisee shall cooperate with Franchisor in any audit that Franchisor may conduct from time to time of its data storage and management systems and Franchisee's storage of Personal Information. In addition, if Franchisee becomes aware of any actual or suspected unauthorized access, processing, loss, use, disclosure, alteration, destruction, transfer, or other compromise or acquisition of or access to any Personal Information, whether such information is stored in paper or electronic form, or information that might reasonably expose Franchisor to any harm or prejudice of any type or actual or

suspected intrusion by an unauthorized third party into Franchisee's or Franchisor's computers, networks, servers, IT resources, or paper files ("Security Breach"), Franchisee shall immediately notify Franchisor's President via telephone of such matter and shall thereafter cooperate with Franchisor to investigate and remedy such matter. Except to the extent required by applicable laws, ordinances, orders, rules, and regulations, no public disclosure of any instance of such unauthorized access or breach shall be made by Franchisee unless Franchisor has authorized the provision of notice and the form of such notice in writing. Franchisee shall reimburse Franchisor for all reasonable Notification and Remediation Related Costs incurred by Franchisor arising out of or in connection with any such Security Breach that is directly or indirectly caused by Franchisee or its personnel. "Notification and Remediation Related Costs" shall include Franchisor's internal and external costs associated with addressing and responding to the Security Breach, including but not limited to: (A) preparation and mailing or other transmission of legally required notifications to affected individuals, regulators and attorneys general, (B) preparation and mailing or other transmission of such other communications to customers, agents or others as Franchisor deems reasonably appropriate, (C) establishment of a call center or other communications procedures in response to such Security Breach (e.g., customer service FAQs, talking points and training), (D) engagement of information technology consultants, public relations and other similar crisis management services, (E) payment of legal and accounting fees and expenses associated with Franchisor's investigation of and response to the Security Breach, and (F) payment of costs for commercially reasonable credit reporting services that are associated with legally required notifications or are advisable under the circumstances. Franchisee agrees to hold harmless, defend and indemnify Franchisor Indemnified Parties from and against any and all losses, expenses, judgments, claims, attorney fees and damages arising out of or in connection with any claim or cause of action in which Franchisor Indemnified Parties shall be a named defendant and which arises, directly or indirectly, out of the operation of, or in connection with a Security Breach or Franchisee's or Franchisee's officers, directors, agents or employees' violation of any Privacy Law, Data Protection and Security Policies, consumer protection-related law or regulation, email advertising, and other advertising and marketing laws and regulations, and the PCI-DSS.

(vi) **Inspection.** Franchisor and its representatives and agents may at any time during business hours, and without prior notice to Franchisee enter upon and inspect each Premises and examine Franchisee's Computer Systems, databases, business records and other supporting records and documents in order to verify compliance with its Data Protection and Security Policies, and Privacy Laws. Any such inspection shall be made at Franchisor's expense, provided that if such inspection is necessitated by Franchisee's repeated or continuing failure to comply with the Data Protection and Security Policies, Privacy Laws, or this Agreement, Franchisor may charge Franchisee for the costs of making such inspection, including without limitation, travel expenses, room and board, and compensation of Franchisor's representatives and agents.

(vii) **Personal Information Consent and Requests.** Franchisee is responsible for obtaining any required consent to the collection, use, storage, processing, and sharing of Personal Information from its vendors, customers, officers, directors, managers,

employees, independent contractors, agents, and other parties from which it is required to obtain consent under the Privacy Laws or Data Protection and Security Policies. Franchisee shall retain copies of the consent and store them and share them with Franchisor in the manner Franchisor requires. Franchisee shall fully comply with Data Protection and Security Policies and Privacy Laws as they relate to a person's exercise of his or her rights under the Privacy Laws. If any person contacts Franchisee seeking to exercise any right under law pertaining to Personal Information, Franchisee shall comply with such request in accordance with the terms of this Agreement, including the Data Protection and Security Policies, the Manuals, the Privacy Laws, and as otherwise instructed by Franchisor. If requested by Franchisor, Franchisee must cooperate or coordinate with Franchisor to provide information about the way that Franchisee has collected, used, stored, processed, and shared Personal Information.

**(viii) Use of Personal Information.** Franchisee warrants and represents and covenants that it shall not collect, use, store, process, or share Personal Information unless such action is permitted by (A) this Agreement, (B) the Data Protection and Security Policies, (C) Privacy Laws, and if, applicable, (D) written approval of Franchisor. Franchisee shall collect, use, store, process, and share Personal Information only for purposes of operating the Franchised Business. Franchisee shall not sell Personal Information. Franchisee shall not re-identify any Personal Information that has been de-identified. If Franchisee engages any vendor that will collect, use, store, process, or share Personal Information, Franchisee must contractually bind the vendor to the data protection obligations that Franchisor requires.

**(l) Customer Service and Payments.** Franchisee must use best efforts to satisfy customers and must follow the procedures to resolve customer complaints found in the Manuals. Resolution of customer complaints may involve discounting products or services and other such measures that affect the gross revenues of the Franchised Business. Franchisor reserves the right to charge Franchisee for Franchisor's costs to respond and/or resolve a complaint by Franchisee's customers when Franchisee does not resolve the complaint consistent with the procedures found in the Manuals. Franchisee agrees to accept the types and forms of customer payment as Franchisor may require from time to time and shall not accept a type or form of payment that Franchisor has not authorized.

**(m) Telephone Number.** Franchisee shall establish a local telephone number for the Franchised Business. Franchisee shall keep Franchisor notified as to the current telephone number for the Franchised Business. In no event shall Franchisee use such number for any other business. If Franchisee obtains any additional or substitute telephone service or telephone number at the Franchised Business, it will promptly notify Franchisor and such additional or substitute number shall be subject to the terms of this subsection. Franchisee will provide continuous telephone answering coverage whenever the Franchised Business is open for business. Franchisee shall assign to Franchisor all of its interest in the telephone number(s) used in connection the Franchised Business, including any personal cellphone numbers, and shall execute Attachment 4. Each owner shall provide Franchisor with, and thereafter update Franchisor each time such number changes, a current telephone number that Franchisor is authorized to call and send text messages, whether using an automatic telephone dialing system, artificial prerecorded voice, automatic text and voice

messages, or other methods in Franchisor's discretion. Each owner agrees and acknowledges that message and data rates may apply to such messages.

(n) **Payment of Taxes.** Franchisee shall promptly pay to Franchisor an amount equal to all taxes levied or assessed, including, but not limited to, unemployment taxes, sales taxes, use taxes, withholding taxes, excise taxes, personal property taxes, intangible property taxes, gross receipt taxes, taxes on royalties, any similar taxes or levies, imposed upon or required to be collected or paid by Franchisor or Franchisor's affiliates by reason of the furnishing of products, intangible property (including trademarks and trade names), or services by Franchisor to Franchisee through the sale, license, or lease of property or property rights provided by this Agreement, other than taxes on Franchisor's net income.

(o) **Ownership Roles and Operations Manager.**

(i) **Owners.** Each owner of the Franchised Business shall at all times be an owner in Franchisee's business entity and execute Franchisor's required noncompetition, non-solicitation, and confidentiality agreements.

(ii) **Designated Contact.** Franchisee must designate one "Designated Contact" who will be principally responsible for communicating with Franchisor about the Franchised Business and who has authority for the Franchised Business. The Designated Contact must have at least a ten percent (10%) ownership interest in Franchisee. If Franchisee has an Operating Owner (defined below), the Operating Owner will be the Designated Contact.

(iii) **Non-Operating Owner.** In circumstances where an owner has no involvement in the operations and management of the Franchised Business, that owner may be designated an "Non-Operating Owner." Non-Operating Owners shall sign the Non-Operating Owner Amendment in the form attached to this Agreement, which Amendment releases the Non-Operating Owner from certain obligations and rights under this Agreement.

(iv) **Active Management.** The Operating Owner or, if Franchisee obtains prior approval from Franchisor to use an Operations Manager, the Operations Manager must directly operate the Franchised Business and supervise the day-to-day operations of the Franchised Business. An "Operating Owner" is a single owner designated by Franchisee with at least ten percent (10%) of the ownership interests in Franchisee's business entity. An "Operations Manager" is not required to have any ownership interests but may have them. The Operating Owner or Operations Manager shall devote full time and best efforts to the management, supervision, and conduct of the development and operation of the Franchised Business to ensure compliance with this Agreement and to maintain Franchisor's high standards. The Operating Owner or Operations Manager shall have full authority to supervise day-to-day operations. Management responsibility shall include, without limitation, maintaining the highest standards for service, environmental safety, sanitation, and product installation, as well as supervising employees to ensure these high standards are met. The Operations Manager or Operating Owner must be accepted by

Franchisor, complete Franchisor's initial training requirements to Franchisor's satisfaction, participate in and complete to Franchisor's satisfaction all additional training as may be reasonably required by Franchisor. Any Operations Manager must pass a background check and have at least one year of experience in home improvement industry sales or management. The Operations Manager shall execute Franchisor's then-current forms of noncompetition, non-solicitation, and confidentiality agreements. If at any time for any reason the Operations Manager or Operating Owner no longer qualifies to act as such, Franchisee shall promptly designate another Operations Manager or Operating Owner subject to the same qualifications set forth in this subsection. Franchisor shall receive advanced written notice of any change in the Operations Manager or Operating Owner.

**(p) Mandatory Performance Standards.**

**(i)** Franchisee must diligently work to develop the Franchised Business. Accordingly, following the seventh (7<sup>th</sup>) year anniversary of the Effective Date, Franchisee must achieve the minimum MSI ("Minimum MSI") for Franchisee's market size each calendar year. The term "MSI" shall mean the percentage of window and patio door units sold compared to the total estimated window and patio door unit sales opportunity in the Territory. By way of example only, if Franchisee signs this Agreement in August 2025, then starting with the calendar year 2033, Franchisee must achieve the Minimum MSI. The initial Minimum MSI is set forth in the Summary Pages. No more than one (1) time per year on thirty (30) days' notice to Franchisee, Franchisor has the right to modify Franchisee's Minimum MSI for the following calendar year by up to one (1) MSI percentage point. By way of example only, if Franchisee's initial Minimum MSI is five percent (5%), Franchisor may increase the Minimum MSI to six percent (6%) for the following calendar year and then increase the Minimum MSI to seven percent (7%) in a future year.

**(ii)** Following the fifth (5<sup>th</sup>) year anniversary of the Effective Date, Franchisee must achieve the Minimum Entry Door Purchases each calendar year. "Minimum Entry Door Purchases" means purchasing the minimum dollar amount of entry doors from authorized vendors per calendar year. The Minimum Entry Door Purchase value is Twenty-Five Thousand Dollars (\$25,000).

**10. Products; Services.**

**(a) Products, Services, and Vendors.** In the operation of the Franchised Business, Franchisee shall use and sell only those products, services, materials, supplies, equipment, and technology that have been specifically designated or approved by Franchisor. Franchisee agrees that it will offer and sell all of those products and services specifically designated or approved by Franchisor and do so in accordance with the terms of this Agreement. To the extent that Franchisor has established designated or approved vendors, Franchisee shall obtain all products, services, materials, supplies, equipment, and technology that are used in operation of the Franchised Business from vendors that Franchisor shall have specifically designated or approved. If any designated or approved vendor indicates that one or more products is not suitable for sale in the Territory, Franchisee shall not sell, and shall not be required to sell, those products. Franchisee



may be required to purchase from Franchisor or its affiliates certain products, services, materials, supplies, equipment, and technology. Franchisor may designate exclusive vendors for any products, services, materials, supplies, equipment, and technology. Franchisor or its affiliates may receive payments (whether the Royalties or some other payment) or other compensation from vendors on account of the vendors' dealings with Franchisor, Franchisee, or other franchised businesses in the Network. Franchisor may use any amounts that it receives from vendors for any purpose that Franchisor deems appropriate. Further if Franchisor and its affiliates sell any products and services to Franchisee, Franchisor and its affiliates may make a profit. Franchisee hereby agrees that Franchisor and its affiliates are entitled to such profits, payments, discounts, or other compensation. Franchisor may, from time to time, amend the list of approved or required products, services, materials, supplies, equipment, technology, and vendors and Franchisee must comply with any such changes within the period stated in the notice of the change. Franchisor may, from time to time, amend the list of approved products, services, materials, supplies, equipment, technology, and vendors. If Franchisee requests that Franchisor review a new or alternate vendors, products, services, materials, supplies, equipment, and technology, Franchisee shall pay any costs and expenses Franchisor incurs as a result of its evaluation. Franchisor shall have no obligation to approve any alternative vendor, products, services, materials, supplies, equipment, and technology and has no right to continue an evaluation once Franchisor determines that the alternative does not meet its standards and specifications. Franchisee authorizes vendors to provide any information required by Franchisor related to Franchisee's purchasing history with Franchisor.

**(b) Pricing.** Franchisee shall have the right to set prices provided that, subject to applicable antitrust laws, such pricing complies with (i) any minimum or maximum prices set by Franchisor, (ii) any and all prices specified by Franchisor, (iii) the terms of any bona fide promotional programs periodically established by Franchisor, and (iv) Franchisor's standards and specifications. Franchisor reserves the right to require Franchisee to modify any pricing that does not comply with the foregoing. Franchisor retains the right to modify its pricing policies from time to time in its sole discretion. Franchisor specifically reserves the right, in its sole discretion and as it may deem in the best interests of Franchisee or the Network, to vary pricing standards and policies within the Network based upon peculiarities of location or circumstances, including, but not limited to, density of population and other demographic factors, territory size, climate, business practices or customs, or any other condition which Franchisor deems to be of importance. Franchisee acknowledges that because of these factors and others, there may be variations from standard pricing policies and practices throughout the Network and that Franchisee shall not be entitled to require Franchisor to grant like or similar variations or privileges to Franchisee. Franchisee must provide to Franchisor in the manner and at the times Franchisor requires, a price list containing all the prices charged by the Franchised Business and copies of completed or proposed customer contracts.

**(c) System Changes.** Franchisee acknowledges that the System, the services, and products offered by the Franchised Business may be modified (such as, but not limited to, the addition, deletion, and/or modification of operating procedures, products, and services) from time to time by Franchisor. Franchisee agrees to comply, at its expense, with all such modifications, including, without limitation, all requirements needed to implement the modifications. Franchisee agrees there is no limit to Franchisor's ability to modify the System. Franchisee may be required

to pay additional or increased fees to Franchisor, its affiliates, or third-party vendors, as a result of these System changes.

(d) **Technology Changes.** Franchisee acknowledges and agrees that changes to technology are dynamic and not predictable. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor shall have the right to establish, in writing, reasonable new standards and specifications for the implementation of technology in the System. Franchisee agrees that it will abide by those reasonable new standards and specifications established by Franchisor, at Franchisee's sole cost and expense. Franchisee may be required to pay additional or increased fees to Franchisor, its affiliates, or third-party vendors, as a result of these changes to technology.

(e) **No Warranty.** FRANCHISOR, ITS AFFILIATES, AND THEIR REPRESENTATIVES MAKE NO WARRANTY WITH RESPECT TO ANY PRODUCTS, SERVICES, MATERIALS, SUPPLIES, EQUIPMENT, TECHNOLOGY, OR OTHER ITEMS FRANCHISOR, ITS AFFILIATES, AND THEIR REPRESENTATIVES APPROVE OR SUPPLY OR REQUIRE FRANCHISEE TO PURCHASE OR USE. FRANCHISOR, ITS AFFILIATES, AND THEIR REPRESENTATIVES, EXPRESSLY DISCLAIM ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO ANY SUCH PRODUCTS, SERVICES, MATERIALS, SUPPLIES, EQUIPMENT, TECHNOLOGY, OR OTHER ITEMS.

## **11. Transfer; Franchisor's Right of First Refusal.**

(a) **Transfers by Franchisor.** This Agreement, and any and/or all of Franchisor's rights and/or obligations under it, are fully transferable by Franchisor in Franchisor's sole discretion and will inure to the benefit of any person or entity to whom Franchisor transfers it, or to any other legal successor to Franchisor's interest in this Agreement. If Franchisor transfers this Agreement, or any and/or all of Franchisor's rights and/or obligations under it, all past, current and future obligations of Franchisor to Franchisee will cease and be forever extinguished. Franchisor shall be released from all obligations and liabilities arising or accruing in connection with this Agreement after the date of such transfer or assignment, and Franchisee's obligations and duties shall be and will remain the same notwithstanding any such assignment. Franchisor may be sold and/or Franchisor may sell any or all of its assets to a competitive or other entity, participate in an initial, or other, public offering or private placement of Franchisor's stock, merge, acquire other entities and/or assets (competitive or not), be acquired by a competitive or other entity, and/or may undertake any refinancing, leveraged buy-out and/or other transaction. Franchisee waives any and all claims, demands and/or damages with respect to any transaction or otherwise allowed under this subsection or otherwise.

(b) **Transfers by Franchisee.** The rights and interest of Franchisee under this Agreement are and shall remain personal to Franchisee. Franchisee recognizes that Franchisor has granted the License in reliance on the business and financial capacity and other attributes of Franchisee and in reliance upon Section 12 of this Agreement. Therefore, neither Franchisee's interest, rights or privileges in this Agreement, the License, substantially all the assets of the

Franchised Business, the Franchised Business, nor any person or party's interest ownership interest in Franchisee's business entity, shall be transferred in whole or in part, voluntarily or involuntarily, by operation of law or otherwise, in any manner, except as provided in this Section 11. For purposes of this Agreement, the term "transfer" includes any issuance, sale, assignment, gift, pledge, mortgage or any other encumbrance (other than a lien against Franchisee's assets to secure a loan for the construction, remodeling, equipping or operation of the Franchised Business), transfer by bankruptcy, transfer by judicial order, merger, consolidation share exchange, transfer by operation of law, any change in the persons or parties who own an interest in Franchisee's business entity, ownership or structural changes in Franchisee's business entity such as a merger, reorganization, issuance of additional shares, classes of stock, or interests, or otherwise, whether direct or indirect, voluntary or involuntary, in whole or in part.

**(c) Franchisor's Right of First Refusal.**

**(i) Exercise of Right.** If any Franchisee proposes to engage in a transfer, Franchisee must first deliver a statement to Franchisor offering to sell to Franchisor the Franchisee's interest in this Agreement and assets of the Franchised Business (including but not limited to the land, building, equipment, furniture, inventory, and fixtures and any other assets or leasehold interests used for operations). If the proposed transfer involves an offer from a third party, then Franchisee must obtain from the third-party offeror and deliver to Franchisor a statement, in writing, signed by the offeror and by Franchisee, of the binding terms of the offer. If the transfer does not involve an offer from a third party, then the purchase price for Franchisor's purchase of assets described above will be the fair market value of the assets but shall not include the value of any goodwill of the Franchised Business, as the goodwill is attributable to the Marks and the System. If Franchisee disagrees with the value of the assets as determined by Franchisor, then Franchisee and Franchisor shall each hire an appraiser (or a single appraiser, if they so agree) to value the assets. If the appraisals are within twenty percent (20%) of each other, then the difference between the two shall be equally divided to establish the price at which Franchisor may exercise its first right of refusal. If the difference between the appraisals is greater than twenty percent (20%), then the issue of the fair market value of such consideration shall be determined by a third appraiser selected by the other two appraisers and whose decisions shall be final, except that it may not be lower or higher than the lowest appraisal and highest appraisal, respectively, determined by the first two appraisers. Franchisor and Franchisee will each pay one-half of the appraiser's fees and expenses. Franchisor then has forty-five (45) days from its receipt of the statement setting forth the third-party offer or the appraiser's report, as applicable (and all other information requested by Franchisor) to accept the offer by delivering written notice of acceptance to Franchisee. Franchisor will strive to provide Franchisee with a prompt response. Franchisor will have an additional sixty (60) days to complete the purchase if Franchisor elects to exercise its right of first refusal. Franchisor's exercise of any right of first refusal will be on the same price and terms set forth in the statement delivered to Franchisor; provided, however (and regardless of whether the following are inconsistent with the price and terms set forth in the statement) (A) Franchisor has the right to substitute equivalent cash for any noncash consideration included in the offer, (B) Franchisor will prepare the transaction documents for the transfer, which will be on terms customary for this type of transaction (including representations

and warranties, covenants, conditions, and indemnification), and (C) Franchisor's purchase may be limited to any assets related to the business.

(ii) **Approval of Transfers.** If Franchisor decides not to exercise its right of refusal, Franchisor shall have the right to approve or disapprove the proposed transfer on the conditions set forth in Section 11(d). If Franchisor approves the transfer in writing, Franchisee may make the proposed transfer on the exact terms and conditions specified in Franchisee's notice to Franchisor within one hundred twenty (120) after the expiration of Franchisor's right of first refusal. If the transfer is not consummated within such 120-day period, Franchisee may not thereafter transfer such interest without again complying with this Section 11(c).

(d) **Conditions on Transfer.** Provided Franchisor chooses not to exercise its right of first refusal, Franchisor agrees that it will not unreasonably withhold its consent to a proposed transfer if all the following conditions are satisfied:

(i) **Compliance.** Franchisee is in full compliance with this Agreement and there are no uncured defaults by Franchisee hereunder, Franchisee and its affiliates are in full compliance with any other agreements between Franchisee or its affiliates and Franchisor or Franchisor's affiliates, and all debts and financial obligations of Franchisee are current, both under this Agreement and with vendors, including Franchisor and its affiliates. Franchisee will remain liable for all obligations to Franchisor in connection with the Franchised Business which arose prior to the effective date of the transfer. Prior to completion of the transfer, a representative of Franchisor shall conduct a pre-transfer inspection of the Franchised Business and identify in writing any conditions that do not meet Franchisor's then-current standards and specifications as set forth in the Manuals ("Transfer Inspection"). Franchisee shall cause any deficiencies identified to be addressed prior to the transfer being completed up to a maximum expenditure of Fifty Thousand Dollars (\$50,000) ("Transfer Cap"). Alternatively, with Franchisor's prior written permission, the proposed transferee can agree to correct the identified deficiencies within sixty (60) days of the completion of the transfer. The transferee's maximum expenditure will be the Transfer Cap. Upgrades made during the Initial Term and prior to the Transfer Inspection are not included in determining whether the Transfer Cap has been satisfied.

(ii) **Agreements.** The proposed transferee and other parties relevant to the transaction execute such documents as Franchisor may reasonably require, including, but not limited to, the then-current version of the franchise agreement and ancillary agreements, which documents may be substantially different than those executed contemporaneously with the execution of this Agreement. Franchisor also has the right to require any individual owners, business entities, or shareholders or members of the business entities, who remain owners of the Franchised Business after the transfer is complete to sign the then-current version of the franchise agreement and then-current ancillary agreements. If one or more owners of the Franchised Business exit the business as part of the transfer, while other owners remain, Franchisor shall have the right to require such exiting owners to sign termination agreements. If a new franchise agreement is signed as part of the transfer, this Agreement between Franchisor and Franchisee will terminate

once an approved transfer is completed. Franchisor may require the transferee and any remaining owners to come to Franchisor's then-current principal place of business to execute these agreements.

(iii) **Release.** Franchisee for itself and on behalf of its respective predecessors, affiliates, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns executes and delivers to Franchisor a general release, in the form prescribed by Franchisor, releasing, to the fullest extent permitted by law, all claims that they may have against Franchisor, Franchisor's predecessors and affiliates, and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities.

(iv) **Training.** Unless otherwise agreed to by Franchisor, prior to the date of the proposed transfer and thereafter, the proposed transferee's owners, principal operator, and managers undertake and complete, to the satisfaction of Franchisor, such training and instruction as Franchisor shall deem necessary.

(v) **Qualifications.** Franchisor is satisfied that the proposed transferee and its owners meet all of the requirement for Franchisor's new franchisees applicable on the date Franchisor receives notice of the proposed transfer, including, but not limited to, good reputation and character, business experience, industry experience, management experience, and financial strength and liquidity.

(vi) **Continuing Obligations.** Each transferor (whether all of Franchisee or whether one or more shareholders or members of Franchisee's business entity or any individual owner who exits the Franchised Business) shall (A) have continuing obligations to indemnify the Franchisor Indemnified Parties for any act, omission, event, or occurrence arising prior to the effective date of the transfer, (B) continue maintain the confidentiality of the Confidential Information as set forth in the covenants of Section 12(e), and (C) comply with the post-term covenants against unfair competition and solicitation contained in Section 12(c) and 12(d).

(vii) **Assumed Obligations.** The proposed transferee and its owners acknowledge and agree in writing that they are bound to assume all of Franchisee's obligations to Franchisor, as well as Franchisee's outstanding obligations to customers, including, but not limited to, all guaranty and warranty obligations.

(viii) **Transfer Fee.** Franchisee pays to Franchisor Franchisor's then-current transfer fee, which will not exceed the then-current initial franchise fee.

(ix) **Seller's Transfer Obligation Deposit.** If the transfer is an asset sale or other transaction where Franchisee's business entity will no longer be operating the Franchised Business, Franchisee shall pay Franchisor the greater of Ten Thousand Dollars (\$10,000) or one percent (1%) of the purchase price ("Deposit") at the time required by

Franchisor. The Deposit will be refunded to Franchisee within thirty (30) days of Franchisor accepting Franchisee's evidence and certification that all of Franchisee's obligations under the transfer agreement have been timely completed, which acceptance will not be unreasonably withheld. If Franchisee does not timely comply with these requirements, Franchisor shall be entitled to retain the Deposit.

(x) **Vendor Liability.** If the transfer is an asset sale or other transaction where Franchisee's business entity will no longer be operating the Franchised Business, Franchisee shall pay all liabilities to vendors upon or prior to the closing of the transfer and provide evidence of the same to Franchisor.

(xi) **Required Documents.** The proposed transferee and all its owners have provided Franchisor, in Franchisor's discretion, at least forty-five (45) days prior to the proposed transfer date, copies of (A) any entity or personal financial statements for up to the preceding three (3) years, (B) where applicable for the entity, its certificate of incorporation and bylaws (and any amendments or modifications thereof), minutes and resolutions, and (C) all other documents, records and information pertaining to the proposed transferee's and its owners' financial status, existence, ownership, and experience.

(e) **Death or Disability.**

(i) **Transfer Upon Death or Disability.** Upon the death or disability of any individual Franchisee, that Franchisee's executor, administrator, conservator, guardian, or other personal representative must transfer that Franchisee's interest in this Agreement, to a third party (which may be that Franchisee's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed nine (9) months from the date of death or disability and is subject to all of the terms and conditions in this Section 11. Failure to transfer Franchisee's interest in this Agreement, within this period is a breach of this Agreement. The term "disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent that individual Franchisee from operating the Franchised Business in the manner required by this Agreement or from performing his or her obligations under this Agreement.

(ii) **Operation upon Death or Disability.** During the period between death or disability of any individual Franchisee and the completion of the transfer described in Section 11(e)(i), the Franchised Business still must be operated in accordance with the terms and conditions of this Agreement. Upon the death or disability of that Franchisee, the Franchisee's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed thirty (30) days from the date of death or disability, appoint an Operations Manager or Operating Owner (unless Franchisee had previously appointed an Operations Manager or Operating Owner who remains responsible for the day-to-day operation of the Franchised Business). Any new Operations Manager or Operating Owner must complete Franchisor's standard training program at Franchisee's expense, sign Franchisor's then-current forms of confidentiality,

non-solicitation, and non-compete agreements, and comply with any of Franchisor's then-current requirements for approval of an Operations Manager or Operating Owner.

(f) **Transfer to Immediate Family Member.** If Franchisee is approved to conduct a transfer to an approved father, mother, husband, wife, son, or daughter of an individual Franchisee, Franchisee shall not be required to pay a transfer fee, and Franchisor shall have no right of first refusal. All other transfer conditions will apply.

(g) **Non-Waiver.** Franchisor's consent to a transfer will not constitute a waiver of any claims it may have against the transferring party, nor will it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

(h) **Automatic Termination of Certain Franchisee Owners Upon Transfer.** If for any reason an owner of Franchisee's business entity ceases to have an ownership interest in that entity, then upon conclusion of a transfer that Franchisor approves, the franchise relationship between Franchisor and that exiting owner under this Agreement shall automatically terminate, whether or not such owner signed this Agreement as an individual Franchisee. The exiting owner who no longer has any ownership interest shall have the continuing obligations set forth under this Section 11(d)(vi).

## **12. Covenants of Confidentiality and Covenants Against Unfair Competition and Solicitation.**

(a) **Definitions.** As used in this Section 12, the following terms have the meanings set forth below:

(i) "Customer" means any person or entity to whom Franchisee provided any of its Products and Services, with whom Franchisee or its employees and contractors had dealings, or about whom Franchisee obtained or had access to Confidential Information, (A) for covenants relating to the Initial Term, during the Initial Term, or (B) for covenants relating to the Restrictive Period, during the twelve (12) month period preceding the first date of the Restrictive Period.

(ii) "Prospective Customer" means any person or entity whom Franchisee or its employees solicited, had communications with, or made a proposal to for the purpose of seeking engagement to provide any of the Products and Services, with whom Franchisee or its employees had dealings, or about whom Franchisee obtained or had access to Confidential Information, (A) for covenants relating to the Initial Term, during the Initial Term, and (B) for covenants relating to the Restrictive Period, during the twelve (12) month period preceding the first date of the Restrictive Period.

(iii) "Products and Services" means the advertising, selling, and/or installing of custom-made windows, siding, entry door systems, and any products or services Franchisee, Franchisor, or any affiliates or franchisees of Franchisor offer under Franchisor's Marks, (A) for covenants relating to the Initial Term, the Initial Term, and (B)

for covenants relating to the Restrictive Period, during the twelve (12) month period preceding the first date of the Restrictive Period.

(iv) “Competing Services” means the business of promoting, selling, advertising, installing, and/or providing Products and Services.

(v) “Restricted Territory” means:

(A) An area which combined includes (1) the Territory (including at the Headquarters and any Satellites), (2) any Gray Area within which Franchisee operated during the Initial Term, and (3) the territories in which Franchisor, Franchisor’s affiliates, or Franchisor’s other franchisees operate any WINDOW WORLD businesses; or

(B) Only in the event the foregoing is determined by a court of law to be too broad, an area which combined includes any area within a 15-mile radius of (1) the Headquarters or any Satellites (including at the Headquarters and any Satellites) and (2) the locations of any other WINDOW WORLD businesses owned by Franchisor, its affiliates, or franchisees; or

(C) Only in the event the foregoing is determined by a court of law to be too broad, an area which combined includes (1) the Territory assigned to Franchisee (including at the Headquarters and any Satellites) and (2) any area within a 5-mile radius of the locations of any other WINDOW WORLD businesses owned by Franchisor, its affiliates, or franchisees; or

(D) Only in the event the foregoing is determined by a court of law to be too broad, the Territory (including at the Headquarters and any Satellites), or

(E) Only in the event the foregoing is determined by a court of law to be too broad, an area which combined includes any area within a 5-mile radius of the Headquarters or any Satellite (including at the Headquarters and any Satellites); or

(F) Only in the event the foregoing is determined by a court of law to be too broad, at the Headquarters or any Satellite.

Each of the foregoing is determined as of the first date of the Restrictive Period.

(vi) “Restricted Period” means the period beginning on the date of the termination, expiration, or non-renewal of this Agreement for any reason and continuing for a period of two (2) years thereafter.

(b) **Franchisee’s Covenant Against Unfair Competition – During Term.** Franchisee acknowledges it will receive valuable, specialized training and Confidential



Information that Franchisor has developed through monetary and other resource expenditures that provide competitive advantages to franchisees in the Network. In consideration for Franchisor allowing Franchisee to license Franchisor's Marks and Confidential Information and for the right to advertise, sell, and install the Products and Services, Franchisee agrees that during the Initial Term Franchisee will not, alone or in conjunction with any other person or entity, on Franchisee's own behalf or on behalf of any other person or entity, do any or all of the following:

- (i) engage in the business of providing Competing Services or assist any other person or entity in providing Competing Services.

- (ii) be employed by, manage, engage in, advise, make loans to, or have any other interest in, as a partner, owner, officer, executive, managerial employee, director, salesperson, or consultant, any person or entity that provides Competing Services.

- (iii) perform any other act injurious or prejudicial to the goodwill associated with the Marks, System, or Network.

(c) **Franchisee's Covenant Against Unfair Competition – Post-Term.** Franchisee acknowledges it will receive valuable, specialized training and Confidential Information that Franchisor has developed through monetary and other resource expenditures that provide competitive advantages to franchisees in the Network. In consideration for Franchisor allowing Franchisee to license Franchisor's Marks and Confidential Information and for the right to advertise, sell, and install the Products and Services, Franchisee agrees that for the Restricted Period, Franchisee shall not, within the Restricted Territory, alone or in conjunction with any other person or entity, on Franchisee's own behalf or on behalf of any other person or entity, do any or all of the following:

- (i) Engage in the business of providing Competing Services or assist any other person or entity in providing Competing Services.

- (ii) Be employed by, or engaged as a consultant or contractor by, any person or entity that provides Competing Services in any position in which Franchisee would perform (or direct others in performing):

- (A) Duties that are the same as or substantially similar to the work Franchisee engaged in and/or performed as a franchisee of Franchisor at any time during the Initial Term under this Agreement, or

- (B) Duties that would require or permit Franchisee to use or disclose Franchisor's Confidential Information for Franchisee's benefit or the benefit of any person or entity other than Franchisor.

- (iii) Manage, make loans to, or have any other interest in as a partner, owner, officer, executive, or director, any person or entity that provides Competing Services.

**(d) Franchisee's Covenant Not to Solicit.** Franchisee acknowledges it will receive Confidential Information, including information about Customers, Prospective Customers, and vendors, that Franchisor has developed through monetary and other resource expenditures that provide competitive advantages to franchisees in the Network. In consideration for Franchisor allowing Franchisee to license Franchisor's Marks and Confidential Information and for the right to advertise, sell, and install the Products and Services, Franchisee agrees that during the Initial Term and during the Restricted Period, Franchisee will not alone or in conjunction with any other person or entity, on Franchisee's own behalf or on behalf of any other person or entity, do any or all of the following:

**(i)** Call on, solicit, request, induce or otherwise cause or attempt to cause any Customer or Prospective Customer to cancel or curtail its current or future business with Franchisor or any of Franchisor's affiliates or franchisees, or assist any other person or entity in any such activity.

**(ii)** Call on, solicit, request, induce or otherwise cause or attempt to cause any current franchisee or licensee of Franchisor to cancel or curtail its current or future business with Franchisor or any of Franchisor's affiliates or franchisees or assist any other person or entity in any such activity.

**(iii)** Call on, request, or contact any person or entity which had been a franchisee or licensee of Franchisor at any time during the Initial Term for the purpose of soliciting business from, entering into a business relationship with or otherwise seeking engagement to sell or provide Competing Services or assist any other person or entity in any such activity.

**(iv)** Call on or contact any Customer or Prospective Customer for the purpose of soliciting business or seeking engagement to sell or provide Competing Services or assist any other person or entity in any such activity.

**(v)** Call on or contact any Franchisor-used vendor through the use of, or with the assistance of, any Confidential Information for the purpose of soliciting, requesting or attempting to cause such vendor to cancel or curtail its current or future business with Franchisor or any of Franchisor's franchisees or affiliates or assist any other person or entity in any such activity.

**(vi)** Call on or contact any Franchisor-used vendor through the use of, or with the assistance of, any Confidential Information for the purpose of soliciting, requesting or attempting to cause such vendor to provide any materials, products, or services to any person or business entity other than Franchisor, its franchisees and affiliates that are the same as or substantially similar to the materials, products, and/or services said vendor provides to Franchisor or its franchisees and affiliates.

(e) **Confidential Information.**

(i) **Access to Confidential Information.** Franchisee understands and agrees that Franchisor has disclosed or will hereafter disclose to Franchisee certain Confidential Information. Franchisee acknowledges that Franchisor has invested substantial time, effort, and resources in developing and protecting the Confidential Information, which are unique and valuable assets of Franchisor and are crucial to Franchisor's success, and the success of its franchisees and affiliates, and that Franchisor is providing the access to the Confidential Information to Franchisee in trust and confidence solely in order to assist Franchisee with the Franchised Business. Any unauthorized disclosure or use of the Confidential Information would damage Franchisor's legitimate business interests and cause immediate and irreparable harm to Franchisor, its franchisees and affiliates.

(ii) **Non-disclosure Obligation.** Except as necessary in connection with the operation of the Franchised Business and as approved by Franchisor, Franchisee shall not, during the Initial Term, any Renewal Term, or at any time after the expiration, non-renewal, transfer, or termination of this Agreement, regardless of the cause thereof and without any geographic limitation use for its own benefit or communicate or divulge to, or use for the benefit of any other person or entity, the Confidential Information. Franchisee shall disclose to its officers, directors, managers, employees, independent contractors, and agents only such Confidential Information as is necessary to operate the Franchised Business hereunder and then only while this Agreement is in effect.

(iii) **Definition.** "Confidential Information" means the information, not generally known to the public, in any form, relating to the Franchised Business and its operations, including all trade secrets; all knowledge, know-how, standards, processes, methods, and procedures related to the establishment and operation of the Franchised Business not generally known to the public; all records pertaining to customers and vendors of, and/or related in any way to, the Franchised Business (such as all names, addresses, phone numbers, email addresses for customers and vendors; customer purchase records; customer measurements; customer preferences; and mail lists); franchisee lists; vendor information; pricing data; sources of supply; technical information about Products and Services; electronic code, formulas, compositions, inventions, research, designs, advertising materials, and business, sales, and advertising strategies; financial information of Franchisee, Franchisor, or any affiliate or franchisee of Franchisor; business forms and customer contract forms and documents; databases; training materials; knowledge of the franchise system; contracts and agreements; transaction information; negotiations and pending negotiations for the sale of Products and Services; other confidential or proprietary information of any franchisee, Franchisor's affiliates, customers, vendors, or investors; and any other data and information that Franchisor or its affiliates, designates as confidential, including all information contained in the Manuals.

(f) **Acknowledgment.** The parties acknowledge and agree that these covenants not to compete or solicit are necessary to protect the Marks, Confidential Information, and System for the period of time set forth herein. The parties further acknowledge and agree that the time and territory restrictions contained herein are reasonable and fair for the purpose of protecting

Franchisor's legitimate business interests. In the event of default, Franchisor may seek preliminary injunctive relief to enjoin the conduct of Franchisee. Franchisee acknowledges that the foregoing restrictions on unfair competition and solicitation shall apply regardless of how or why this Agreement terminates, expires, transfers, or does not renew. The parties agree that the foregoing do not impose a greater restraint than is necessary to protect Franchisor's goodwill or Franchisor's other business interest and its franchisees and the provisions do not prevent Franchisee from earning a living. Franchisee agrees that the scope of activities prohibited in this Section 12 are fair and reasonable and are not the result of overreaching, duress, or coercion of any kind. Franchisee's full, uninhibited, and faithful observance of each of the covenants in this Section 12 will not cause any undue hardship, financial or otherwise. Enforcement of each of the covenants in this Section 12 will not impair Franchisee's ability to obtain employment commensurate with Franchisee's abilities or on terms fully acceptable to Franchisee. The parties acknowledge and agree that the covenants in this Section 12 are to be construed as independent of any other covenant or provision of this Agreement. The existence of any claim Franchisee may have against Franchisor or any of its affiliates (regardless of whether arising under this Agreement) is not a defense to the enforcement of these covenants against Franchisee.

**(g) Other Agreements.** To the extent permitted by local law, Franchisee covenants that Franchisee (i) shall cause all persons who are involved in managerial or supervisory positions with the Franchised Business to enter into agreements to be bound by provisions substantially similar to Section 12 of this Agreement and (ii) all persons or parties, including officers, directors, managers, independent contractors and employees, having access to any Confidential Information, to enter into agreements to be bound by provisions substantially similar to the confidentiality provisions of this Section 12. Franchisee shall provide a copy of all executed agreements to Franchisor. Franchisee acknowledges that the obligations herein are ongoing, therefore Franchisee shall continue throughout the term(s) of this Franchise Agreement, to require these persons and parties to sign such agreements. Franchisee further acknowledges that it shall continue to forward a copy of said confidentiality agreements. Franchisee shall retain the original agreements executed by these persons or parties while it remains a franchisee. If Franchisee has reason to believe that any person or party has violated any such provisions of their agreements, Franchisee shall promptly notify Franchisor and cooperate with Franchisor to protect Franchisor against unfair competition, infringement, or other unlawful use of the Marks, Confidential Information, or System. Franchisee further grants Franchisor the right, but not the obligation, to prosecute any such lawsuits at Franchisor's expense in the name of Franchisee.

**(h) Survival and Tolling.** Franchisee understands and agrees that all of Franchisee's covenants and agreements in this Agreement survive the termination or expiration of this Agreement for any reason for the period necessary for Franchisee to discharge all of Franchisee's obligations under this Agreement to their fullest extent. In addition, Franchisee further acknowledges and agrees that the Restricted Period will be tolled and will not run during any time Franchisee is in violation of Franchisee's obligations under this Section 12 and will be extended by the period of time during which Franchisee is in violation of Franchisee's obligations under this Section 12.

**(i) Activities Not In Violation of this Section 12.** Notwithstanding anything in this Section 12 to the contrary, Franchisee's purchase of a publicly traded security of a corporation

engaged in providing Competing Services shall not in itself be deemed violative of this Section 12 so long as Franchisee does not own more than one percent (1%) of the securities of such corporation.

### **13. Insurance.**

(a) **Types and Extent of Coverage for a Franchised Business.** Unless otherwise permitted by Franchisor in writing, Franchisee shall, at its sole expense, obtain, and maintain throughout the Initial Term such insurance coverages with such limits as specified below or as modified from time to time in the then-current version of the Manuals (or such greater amounts of insurance as may be required by the terms of any lease or mortgage relating to each Premises or agreement with customers):

(i) Fire, extended coverage, vandalism, malicious mischief and special extended peril insurance at not less than ninety percent (90%) of the actual replacement value of the building (if owned), and contents, and improvement.

(ii) Workers' compensation and other insurance required by law.

(iii) Comprehensive general liability insurance on an occurrence basis naming Franchisee and its officers, directors and employees as an additional insured as follows:

(A) bodily injury to or death of one or more persons with minimum coverage of Three Million Dollars (\$3,000,000).

(B) property damage or destruction with minimum coverage of Three Million Dollars (\$3,000,000) per occurrence.

(C) public and product liability with minimum coverage of Three Million Dollars (\$3,000,000).

(D) non-owned vehicle coverage with minimum coverage of Five Hundred Thousand Dollars (\$500,000).

(E) owned vehicle coverage with minimum coverage of One Million Dollars (\$1,000,000).

(b) **Other Insurance Requirements.** Unless otherwise permitted by Franchisor in writing, Franchisee shall obtain from a nationally recognized insurance company having an A.M. Best rating of A or higher and at all times during the Initial Term of this Agreement maintain in force and pay the premiums for all types of insurance listed above with complete operations coverage. All policies of insurance required to be maintained hereunder shall: (i) be written as primary policy coverage and not "excess over" or contributory with any other applicable insurance, including Franchisor's insurance, (ii) shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer(s)' liability, (iii) shall not contain any special limitations on the scope of coverage afforded to Franchisor, (iv) shall provide

that any failure by Franchisee or any of Franchisee's employees, agents, or vendors to comply with any notice, reporting, or other similar provisions of such policies shall not affect the coverage provided to Franchisor. From time to time in Franchisor's sole discretion, Franchisor may increase or modify such limits of liability or require additional types of coverage (including but not limited to cyber liability coverage). The insurance policies shall name Franchisor and any affiliates, officers, members, owners, and employees Franchisee designates as an "additional insured" and shall expressly protect both Franchisor and Franchisee (and any other additional insured) on a primary and non-contributory basis and shall require the insurer to defend both Franchisee and Franchisor (and any other additional insured) in any action while reserving Franchisor's right to involve counsel of Franchisor's own choosing in protection of its own and system wide interests. Additionally, Franchisee's insurance policy must waive on behalf of Franchisee's insurer any right of subrogation by the insurance company against Franchisor and Franchisor's officers, shareholders, employees, or any other additional insured. Franchisee shall furnish Franchisor with an additional insured endorsement (AIE) for each policy. Franchisee understands that doing so does not necessarily furnish Franchisee with protection levels adequate to Franchisee's needs and that Franchisee's obligation to indemnify Franchisor Indemnified Parties in this Agreement may exceed the amount of insurance Franchisee is required to obtain or does obtain. At least thirty (30) days prior to the time any insurance is first required to be carried by Franchisee, Franchisee will deliver or caused to be delivered to Franchisor Certificates of Insurance evidencing the proper coverage with limits not less than those required by this Agreement and evidencing that Franchisor is named as an additional insured under such policy on a primary and non-contributory basis as required in this Agreement. Upon demand thereafter, Franchisee shall provide a copy of all current Certificates of Insurance. At least thirty (30) days prior to expiration of any such policy, Franchisee shall deliver to Franchisor Certificates of Insurance evidencing that Franchisee has procured proper renewal or replacement coverage with limits not less than those required by this Agreement and reflecting that Franchisor and its affiliates are additional insured under the policy on a primary and non-contributory basis as required herein. All Certificates will expressly provide that at least thirty (30) days' prior written notice will be given to Franchisor in the event of any alteration to, or cancellation of, the coverage evidenced by the Certificates of Insurance. Franchisor, or its insurer, shall have the right to participate in discussions with Franchisee's insurance company or any claimant (in conjunction with Franchisee's insurance company) regarding any claim of liability, and Franchisee agrees to adopt Franchisor's reasonable recommendations to its insurance carrier regarding the settlement of any such claims. Franchisee's obligations to obtain insurance are separate from and in addition to Franchisee's indemnification obligations.

(c) **Failure to Acquire Insurance.** Should Franchisee for any reason fail to procure or maintain the insurance required by this Agreement, Franchisor will have the right and authority to immediately procure such insurance deemed to be necessary and to charge the amount of the cost to procure and maintain such insurance to Franchisee, along with a reasonable fee of up to five percent (5%) of the cost of the insurance premiums, for Franchisor's expenses in procuring the insurance, Franchisor is authorized to collect from Franchisee all insurance related expenses paid on behalf of Franchisee through automatic EFT.

#### 14. Termination.

(a) **Automatic Termination.** Franchisee shall be in default under this Agreement, and this Agreement and all rights granted to Franchisee herein shall automatically terminate without notice to Franchisee upon the occurrence of the any of the following events:

(i) Franchisee's business entity makes a general assignment for the benefit of creditors or a petition in bankruptcy is filed by Franchisee's business entity.

(ii) a petition in bankruptcy is filed against and not opposed by Franchisee's business entity.

(iii) Franchisee's business entity is adjudicated as bankrupt or insolvent.

(iv) a bill in equity or other proceeding is filed for the appointment of a receiver or other custodian for Franchisee's business entity or assets if filed and consented to by Franchisee's business entity.

(v) a receiver or other custodian (permanent or temporary) of Franchisee's business entity's assets or property, or any part thereof, is appointed by any court of competent jurisdiction.

(vi) proceeding for a composition with creditors under any state or federal law should be instituted by or against Franchisee's business entity.

(vii) a final judgment on Franchisee's business entity remains unsatisfied or of records for thirty (30) days or longer (unless an appeal or supersedeas bond is filed).

(viii) Franchisee's business entity is dissolved.

(ix) any portion of Franchisee's business entity's interest in the Franchised Business becomes subject to an attachment, garnishments, levy or seizure by any credit or any other person claiming against or in the rights of Franchisee's business entity.

(x) execution is levied against Franchisee's business entity's business or property.

(xi) the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

(b) **Termination with Notice; No Opportunity to Cure.** Franchisee shall be in default and Franchisor may, at its option, terminate this Agreement and all rights granted herein, without affording Franchisee any opportunity to cure the default, effective upon the date the notice is deemed received pursuant to Section 19 and in no event longer than five (5) days after Franchisor sent the notice. Such defaults shall include the occurrence of any of the following events:

(i) Franchisee at any time ceases to operate or fails to respond to communications or otherwise abandons the Franchised Business for more than five (5) days without Franchisor's prior written permission.

(ii) Franchisee transfers all or part of an interest in this Agreement, in Franchisee's business entity, or in the Franchised Business or transfers a material portion of the assets of the Franchised Business without Franchisor approval.

(iii) An approved transfer is not effected within nine (9) months of the death or disability of any individual Franchisee.

(iv) Twice within a twelve (12) month period or three (3) times within an eighteen (18) month period, Franchisee is given notice of being in default under any of the terms or requirements of this Agreement, whether or not such defaults are timely cured after notice.

(v) Franchisee fails to comply with any of the covenants set forth in this Agreement.

(vi) Franchisee makes any misrepresentation to Franchisor, or breaches any warranty or representation made to Franchisor, whether in this Agreement or otherwise.

(vii) Franchisee knowingly or intentionally maintains false books or records or knowingly submits any false records, statement, or report to Franchisor.

(viii) Franchisee or any Operations Manager, by act or omission, materially impairs the value of, or the goodwill associated with, the Network, any of the Marks or the System.

(ix) Franchisee or any Operations Manager fails to deal fairly and honestly with Franchisee's employees, vendors, or customers.

(x) Franchisee fails to comply with the terms of, and fails to rectify the problems identified under, any order issued by a governmental or regulatory authority concerning breach of any health, safety, or other regulation or legal requirement applicable to the Franchised Business within the time frame required by the government authority.

(xi) Franchisee fails to open the Franchised Business within ninety (90) days of the execution of this Agreement or fails to timely obtain acceptance of the Headquarters.

(xii) Franchisee operates under any trademark not approved by Franchisor or otherwise uses any trademark not approved by Franchisor in the operation of the Franchised Business.



**(xiii)** Franchisee violates any Privacy Laws or Data Protection and Security Policies established by Franchisor or otherwise collects, uses, stores, processes, shares, or sells Personal Information in any way not authorized under this Agreement.

**(xiv)** Any of the following occur within twelve (12) months of the execution of this Agreement: (A) any representations or warranties of Franchisee become inaccurate or false, (B) the Operating Owner(s) or, as applicable, the Operations Manager, fail to take or pass any of Franchisor's required training, and/or (C) Franchisee, Operating Owner(s), or the Operations Manager fail to timely or diligently perform any duties or obligations during the period prior to the opening date.

**(xv)** Franchisee's business entity becomes insolvent, meaning a financial condition such that the sum of such entity's debts is greater than all of such entity's property, at a fair valuation.

**(xvi)** Franchisee is convicted of, pleads guilty, pleads no contest to, admits guilt for, or is punished for any of the following: (A) a felony, (B) a crime involving moral turpitude, (C) fraudulent conduct, or (D) any other crime or offense that is reasonably likely to have an adverse effect on the Network, the Marks, the System, or the goodwill associated therewith, or Franchisee is proven to have engaged in any of the above; provided, that Franchisor will not have the right to terminate upon notice if within five (5) days of the date upon which a determination of guilt is made Franchisee ceases involvement with the day to day operations of the Franchised Business and within sixty (60) days of the date upon which a determination of guilt is made Franchisee divests his or its entire interest in this Agreement, the Franchised Business, and/or the Franchisee's business entity, as applicable.

**(xvii)** Franchisee solicits or has sales in the territory of another franchisee four (4) or more times in any rolling two (2) year period.

**(xviii)** Franchisee fails to offer and sell all required products and services.

**(xix)** Any default under (A) any other agreement or any other obligation between Franchisor (or any affiliate of Franchisor) and Franchisee (or any owner or affiliate of Franchisee) or (B) under any other agreement or understanding related to the Franchised Business, including, but not limited to, a lease, sublease, technology agreement, master services agreement, loan agreement, vendor agreement, or security interest, regardless of whether or not any such agreements are between Franchisee (or any owner or affiliate of Franchisee) and Franchisor (or any affiliate of Franchisor), if such default cannot be cured or the cure period has passed without Franchisee or any owner or affiliate of Franchisee curing the default.

**(xx)** Once Franchisee is required to achieve the Minimum MSI and Minimum Entry Door Purchases, Franchisee fails to achieve the Minimum MSI and/or Minimum Entry Door Purchases in two (2) consecutive years or two (2) or more times in a three (3) year period.

(xxi) Franchisee has any other incurable default.

(c) **Termination After Failure to Cure.** Except for those defaults provided for under Section 14(a) or 14(b), Franchisee shall be in default hereunder for any failure to maintain or comply with any of the terms, covenants, specifications, standards, procedures, or requirements imposed by this Agreement (including the Manuals) or to carry out the terms of this Agreement in good faith. For such defaults, Franchisor will provide Franchisee with written notice and, to the extent curable, fifteen (15) days to cure or, if a default cannot reasonably be cured within fifteen (15) days, to initiate within that time substantial and continuing action to cure such default and to provide Franchisor with evidence of such actions. If the defaults specified in such notice are not cured within the fifteen (15) day period, if substantial and continuing action to cure has not been initiated, or if the default is not curable, Franchisor may, at its option, terminate this Agreement upon written notice to Franchisee. Such defaults shall include, without limitation, the occurrence of any of the following events:

(i) Franchisee fails, refuses, or neglects to promptly pay any monies owing to Franchisor or its affiliates.

(ii) Franchisee fails, refuses, or neglects to submit the financial or other information required under this Agreement in accordance with the times required by Franchisor.

(iii) Franchisee begins operation of the Franchised Business prior to receiving prior written approval from Franchisor that Franchisee may open for business.

(iv) The operation of the Franchised Business presents a health or safety hazard to the public or to customers, employees, or independent contractors.

(v) Franchisee, an Operations Manager, or any of Franchisee's officers, directors, managers, independent contractors, employees, or agents misuses or makes any unauthorized use of the System, Confidential Information, or the Marks.

(vi) Franchisee submits to Franchisor on two (2) or more separate occasions at any time any reports or other data, information or supporting records which inadvertently understate the gross revenues or sales of the Franchised Business, and/or any other sums owed to Franchisor for any period of, or periods aggregating two (2) or more months.

(vii) Franchisee fails to make prompt payment of undisputed bills, invoices, or statements from vendors, has a negative change in credit or invoicing status with any vendor (such as when a vendor requires cash on delivery), or fails to maintain a good credit rating (above a rating of 660) as determined by a background check which shall be authorized in writing by Franchisee within ten (10) business days of inquiry by Franchisor.

**(viii)** Franchisee fails to obtain Franchisor's prior permission to conduct any out-of-Territory activities or Franchisee fails to cease any out-of-Territory activities upon notice from Franchisor.

**(ix)** Franchisee fails to comply with any requirements for use of the Computer Systems, including the requirements of the vendor of the Computer System, which may be Franchisor or its affiliates.

**(x)** Franchisee has a customer rating that is below the acceptable level described in the Manuals.

**(xi)** Franchisee fails to provide prior to opening for business certification from Franchisee's bank confirming Franchisee has sufficient assets to meet or exceed Franchisor's minimum financial standards.

**(xii)** Franchisee or any Operations Manager abuses customers, has drug or alcohol problems that interfere with the operations of the Franchised Business, or permits unlawful activities at Franchisee's business.

**(xiii)** Franchisee fails to obtain Franchisor's prior permission before establishing any Premises.

**(xiv)** Franchisee loses or is denied any federal, state, or local license the Franchisee must possess in order to operate the Franchised Business.

**(xv)** Franchisee violates any applicable laws, ordinances, orders, rules, and regulations.

**(xvi)** Franchisee, an Operating Owner, or a Non-Operating Owner fails to provide Franchisor with, and thereafter keep on file during the Initial Term, a current telephone number that Franchisor is authorized to call and send text messages, whether using an automatic telephone dialing system, artificial prerecorded voice, automatic text and voice messages, or other methods in Franchisor's discretion.

**(xvii)** Any default under (A) any other agreement or any other obligation between Franchisor (or any affiliate of Franchisor) and Franchisee (or any owner or affiliate of Franchisee) or (B) under any other agreement or understanding related to the Franchised Business, including, but not limited to, lease, sublease, technology agreement, master services agreement, loan agreement, vendor agreement, or security interest, regardless of whether or not any such agreements are between Franchisee (or any owner or affiliate of Franchisee) and Franchisor (or any affiliate of Franchisor), if such default can be cured.

**(xviii)** Any individual Franchisee makes a general assignment for the benefit of creditors, files a petition in bankruptcy, fails to oppose a bankruptcy petition filed against such person, is adjudicated bankrupt or insolvent, has his or her real property sold after levy thereupon by any sheriff, marshal, or constable, has his or her interest in the

Franchised Business become subject to an attachment, garnishment, levy, or seizure, has a judgment against him or her that is unsatisfied for thirty (30) days or longer, or a proceeding is filed, or such person has a receiver or other custodian appointed, for such person's assets or property, or any part thereof.

(xix) Any Franchisee, including any owner of Franchisee's business entity, fails to comply with any and all transfer conditions when applicable.

Franchisee hereby authorizes Franchisor to notify any lender, creditor, customer, vendor, or landlord of the Franchisee or Franchised Business upon the occurrence of any default under this Section 14, or any event or circumstances which the giving or notice or passage of time or both would constitute an event of default under this Section 14, and to otherwise communicate with such parties with respect to any such default, or any such event or circumstance.

(d) **Termination by Franchisee.** Provided Franchisee and its affiliates are compliant with Franchisee's obligations under this Agreement and any other agreement with Franchisor and its affiliates, Franchisee may terminate this Agreement without cause by first giving prior written notice to Franchisor of Franchisee's intention to terminate at least six (6) months in advance. Franchisor and Franchisee may mutually agree in writing to a termination date that is earlier or later than the date that is six (6) months from the notice date. Franchisee shall cooperate in good faith with Franchisor to identify opportunities to transfer the Franchised Business, provide all information, books, records, and contracts that Franchisor requires, and otherwise comply with Franchisor's instructions for the orderly wind-down of the Franchised Business and completion of product installations during the six (6) month period. For the avoidance of doubt, Franchisee has an obligation to continue to operate the Franchised Business in compliance with the terms of this Agreement until the effective date of termination; failure to do so is a default under this Agreement. Upon termination, Franchisee shall comply with all post-term obligations of Franchisee, including but not limited to (i) Franchisee's continuing obligations to indemnify the Franchisor Indemnified Parties for any act, omission, event, or occurrence arising prior to the effective date of the transfer, (ii) continuing to maintain the confidentiality of the Confidential Information as set forth in the covenants of Section 12(e), and (iii) complying with the post-term covenants against unfair competition and solicitation contained in Section 12(c) and 12(d).

(e) **Limitation of Services or Benefits.** Franchisor shall have the right, but not the obligation, to temporarily or permanently limit or remove certain services or benefits provided or required to be provided to Franchisee hereunder in lieu of exercising its right to terminate this Agreement pursuant to the terms hereof, including, without limitation, eliminating Franchisee's right to purchase any products or services from any vendors, eliminating Franchisee's right to use any Online Presences, restricting or removing Franchisee's right to purchase products directly or indirectly from Franchisor or its affiliates, limiting Franchisor's advertising assistance, and restricting or removing Franchisee's right to use the Computer Systems. If Franchisee defaults under this Agreement, Franchisor has the right to modify Franchisee's Territory protections set forth in Section 5(a). Nothing in this subsection constitutes a waiver of any other right or remedy of Franchisor under this Agreement. Franchisee acknowledges that Franchisor's exercise of its rights pursuant to this subsection shall not be deemed a constructive termination. Any services or

benefits removed or limited pursuant to this subsection may be reinstated at any time in Franchisor's sole discretion.

(f) **Cross-Defaults.** Any default by Franchisee under this Agreement shall be a default under any other agreement between Franchisor (or any affiliate of Franchisor) and Franchisee (or any owner or affiliate of Franchisee). Any such default under any other agreement or any other obligation between Franchisor (or any affiliate of Franchisor) and Franchisee (or any owner or affiliate of Franchisee) shall be a default under this Agreement. Any default by Franchisee (or any owner or affiliate of Franchisee) under any other agreement or understanding related to the Franchised Business, including, but not limited to, a lease, sublease, technology agreement, Master Services Agreement, loan agreement, vendor agreement, or security interest may be regarded as a default under this Agreement, regardless of whether or not any such agreements are between Franchisee (or any owner or affiliate of Franchisee) and Franchisor (or any affiliate of Franchisor).

(g) **Extended Cure Period.** Notwithstanding anything to the contrary in this Agreement, Franchisor reserves the right to grant to Franchisee in Franchisor's sole discretion a cure period or extended cure period for any breach. Franchisee acknowledges that Franchisor's decision to grant such a cure period or extended cure period shall not operate as a waiver of any of Franchisor's rights and that Franchisor may choose to condition such an extension upon the signing of a general release by Franchisee. If any law applicable to this Section 14 requires a longer notice period prior to termination of this Agreement than is specified in this Agreement, a different standard of "good cause," or the taking of some other action not required under this Agreement, the prior notice, "good cause" standard, and/or other action required by such law will be substituted for the comparable provisions in this Agreement.

(h) **Damages.** Franchisee shall promptly reimburse Franchisor upon request for any damages, costs, losses, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default under this Agreement.

## **15. Obligations upon Termination, Non-Renewal, or Expiration.**

(a) **Franchisee's Obligations.** Upon termination, non-renewal, or expiration of this Agreement for any reason, all rights granted hereunder to Franchisee shall terminate and revert to Franchisor, and Franchisee shall have all of the following obligations with respect to the Franchised Business:

(i) **Cease to Operate.** Franchisee shall immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a WINDOW WORLD franchisee with respect to such business.

(ii) **Cease to use Confidential Information and System.** Franchisee shall immediately and permanently cease to use, in any manner whatsoever, all Confidential Information, the System, and methods, procedures, know-how, and techniques used by or associated with the System and the Marks.

(iii) **Cease to Use Marks.** Franchisee shall immediately and permanently cease to use, in any manner whatsoever, the Mark WINDOW WORLD and all other Marks.

(iv) **Return of Franchisor's Property.** Franchisee shall immediately return to Franchisor any property held or used by Franchisee which is owned by Franchisor or which was provided to Franchisee by Franchisor, including the Customer List and other Franchised Business Data, the Manuals, policy and procedure statements, reports, contracts, correspondence, business forms, and instructions relating to the operations of the Franchised Business. Franchisee shall cease to use, and either destroy or convey to Franchisor (as instructed by Franchisor), all signs, advertising materials, sales displays, all advertising collateral, charts, stationery, forms, customer contract forms, and any other materials that bear or display the Marks. Franchisee shall deliver to Franchisor all login credentials associated with any Online Presence and all other accounts and systems affiliated with the Franchised Business (excluding login credentials for Franchisee's personal or business bank accounts). Franchisee shall neither retain nor convey to another any copy or record of the materials referenced in this subsection.

(v) **Cancel Assumed Names.** Franchisee shall take such actions as may be necessary to cancel any assumed name or similar registration which contains the mark WINDOW WORLD or any other Marks of Franchisor, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with its obligation within thirty (30) days after termination, non-renewal, or expiration of this Agreement.

(vi) **Pay Amounts Due.** Franchisee shall promptly pay all sums owed to Franchisor. Such sums shall include all damages, costs, losses, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default and the termination. Any outstanding obligations to Franchisor shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and used in connection with the Franchised Business or is located at any Premises on the date this Agreement is terminated, expires, or does not renew.

(vii) **Pay Subsequent Amounts Due.** Franchisee shall promptly pay to Franchisor all damages, costs, losses, and expenses including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination, non-renewal, or expiration of this Agreement related to the Franchised Business or related to the enforcement (including seeking injunctive relief) of any term, covenant, or provision of this Agreement.

(viii) **Cooperate with Franchisor's Assumption Rights.** If not already assigned, Franchisor shall have the option, to be exercised within thirty (30) days of termination, expiration, or non-renewal of this Agreement, to assume any of Franchisee's Online Presence(s), assumed name or equivalent registration, business licenses, telephone numbers (including personal telephone numbers used in connection with the Franchised Business), white and yellow pages, and advertisements, and email addresses, and Franchisee shall sign all documents necessary to permit Franchisor to assume Franchisee's rights in such items. If Franchisor elects not to exercise this option, Franchisee shall take

all action necessary to cancel each of the items listed above and shall furnish Franchisor with evidence satisfactory to prove its compliance within fifteen (15) days after receiving notice of Franchisor's termination or expiration of this Agreement and the expiration of the option granted herein. In the event Franchisee fails to timely do so, Franchisor shall have the right, for which purpose Franchisee hereby appoints Franchisor as its attorney-in-fact, to obtain such cancellation on Franchisee's behalf and at Franchisee's expense. Franchisor shall also have the right, but not the obligation, to require Franchisee to assign all outstanding customer contracts to Franchisor or its designee and all accounts receivable for such contracts to the extent not already collected.

(ix) **Comply with Covenants.** Franchisee shall comply with the covenants contained in this Agreement, including, but not limited to, the covenants against unfair competition, non-solicitation covenants, and the covenants not to disclose Confidential Information.

(x) **Computer Systems and Franchised Business Data; Uncompleted Order Funds.** Franchisee shall comply with Franchisor's instructions relating to the Computer Systems and Franchised Business Data. Within five (5) days of the expiration, non-renewal, or termination of this Agreement Franchisee shall deliver to Franchisor (i) all business records that Franchisor may designate, account information, contracts, and warranty documentation for all customers and homes serviced and all windows, siding and doors installed during all operations of the Franchised Business, whether pursuant to this Agreement or a prior agreement and (ii) an account of all pending window, siding and door orders for which funds have been received by Franchisee but installation has not been completed. Within fifteen (15) days of days of the expiration, non-renewal, or termination of this Agreement, Franchisee shall tender all money received for such uncompleted orders to Franchisor.

(xi) **Deidentify.** If Franchisor does not exercise its right to purchase or to assume the lease for or possession of any or all Premises, Franchisee shall de-identify all Premises within ten (10) days of the notice from Franchisor that Franchisor is not going to exercise its rights. The de-identification procedures shall include removing any uses of the Marks, including the mark WINDOW WORLD, from any Premises, removing or modifying any trade dress distinctive to the System, removing any sales displays, signs, materials indicative of the System, and making any other specific alterations to all Premises as may be necessary to distinguish the appearance of each Premises from that of other WINDOW WORLD outlets or any other specific additional changes as Franchisor may reasonably request. In the event Franchisee does not comply with this requirement, Franchisor may enter each Premises, without being guilty of trespass and without incurring any liability to Franchisee, to remove all signs and other items identifying each Premises as a WINDOW WORLD business and to make such other modifications as are reasonably necessary to protect the Marks and the System, and to distinguish each Premises from other WINDOW WORLD businesses.

(xii) **Assignment of Lease or Granting Possession of Premises.** Franchisee shall, if Franchisor so requests, assign to Franchisor any interest which Franchisee has in

any lease for any Premises or, pursuant to the terms of the Alternative Agreement, grant Franchisor possession of the Premises.

**(b) Right to Purchase.**

**(i) Franchised Business and its Assets.** Upon the termination, non-renewal, or expiration of this Agreement, Franchisor, or Franchisor's designee, shall also have the option, but not the obligation, to purchase, some or all of the assets of the Franchised Business, by providing Franchisee written notice of Franchisor's election within thirty (30) business days, unless otherwise specified below, after such termination, non-renewal, or expiration. Franchisor has the unrestricted right to assign this option. Franchisor has the right to designate the location where Franchisee must ship any and all of the purchased assets. Franchisor will be entitled to all customary warranties and representations in connection with Franchisor's purchase of Franchisee's assets, including, without limitation, representations and warranties as to the ownership and condition of and title to the assets, liens and encumbrances on the assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise. Franchisor has the right to purchase all or only a portion of the assets of the Franchised Business and may exclude from its purchase any assets or cash, for any reason, in Franchisor's sole discretion. Franchisor shall have the right to set off and apply any amounts due to Franchisee pursuant to this subsection against any and all other amounts which may be due from Franchisee to Franchisor. 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.

**(ii) Fair Market Value.** If Franchisor exercises its right to purchase, Franchisor shall pay Franchisee the Fair Market Value of the assets. For purposes of this Section 15(b) "Fair Market Value" shall mean the fair market value of the assets excluding the value of the License, System, Marks, customer base and information, and other assets owned by Franchisor and the associated goodwill. If Franchisee disagrees with Franchisor's determination of Fair Market Value, then Franchisee must, within ten (10) days of receiving Franchisor's proposal of the Fair Market Value, give Franchisor notice, which notice shall contain Franchisee's alternative calculation of the Fair Market Value of the assets, applying the same methodology discussed above. Within ten (10) days of Franchisee giving notice of its disagreement, Franchisor and Franchisee shall mutually agree upon a qualified independent appraiser who shall select from the two proposals of Fair Market Value the one that is the most commercially reasonable. The independent appraiser's determination shall be binding on the parties. If Franchisee does not provide written notice of its disagreement with the Fair Market Value determined by Franchisor within ten (10) days of receiving Franchisor's proposal, then Franchisor's determination of the Fair Market Value shall be deemed accepted. Franchisor's purchase of the assets must close within thirty (30) days of conclusion of the ten (10) day notice period or of the appraiser's determination. Notwithstanding the foregoing, to the extent that Franchisor exercises Franchisor's right to purchase any assets that is subject to a lease or finance



agreement, the purchase price of such asset shall equal the amount of Franchisee's remaining obligations under the lease or finance agreement, as applicable. 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.

**16. Independent Contractor; Indemnification.**

**(a) Independent Contractor.** It is understood and agreed by the parties that this Agreement creates only a contractual relationship between the parties subject to the normal rule of contract law. This Agreement does not create a fiduciary relationship between the parties and Franchisee is and shall remain an independent contractor of Franchisor. Franchisee agrees to hold itself out to the public as an independent contractor, separate and apart from Franchisor. Franchisee agrees that it shall not make any contract, agreement, warranty, or representation on Franchisor's behalf without Franchisor's prior written consent, and Franchisee agrees that it shall not incur any debt or other obligation in Franchisor's name. This Agreement shall not be deemed to confer any rights or benefits to any person or entity not expressly named herein.

**(b) Indemnification.**

**(i) Franchisee's Obligation to Indemnify.** Franchisee agree to fully protect, indemnify, defend, reimburse, and hold Franchisor; Franchisor's predecessors and affiliates; and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities (collectively, "Franchisor Indemnified Parties") harmless from and against all liabilities, losses, obligations, claims, demands, damages (consequential or otherwise), penalties, fines, costs, and expenses (including attorneys' fees) of any nature whatsoever (collectively, "Losses") incurred in connection with any action, suit, proceeding, claim, demand, judgment, investigation, inquiry, assessment, or formal or informal inquiry (regardless if reduced to judgment), or any settlement of the foregoing, of whatsoever nature (collectively, "Action"), arising from any of the following: (A) Franchisee's actual or alleged violation of any laws, ordinances, orders, rules, and regulations, (B) damage to property, (C) injury to or death or disability of any person, (D) negligence, recklessness, misconduct, or criminal conduct by the Franchisee's or any of Franchisee's officers, directors, managers, employees, independent contractors, or agents, (E) data breaches, (F) Franchisee's breach of this Agreement or any representations and warranties they make herein, (G) infringement of any intellectual property rights, (H) product recalls, (I) any failure to warn or give instructions related to any products or services provided by Franchisor Indemnified Parties or by Franchisee, (J) any labor or employment law disputes relating to each Premise or the Franchised Business or claims arising out of Franchisee's employment practices, including claims that any of the Franchisor Indemnified Parties are the employer, joint employer, or co-employer of Franchisee or Franchisee's agents, employees, or contractors, (K) any third party claim that arises from or is connected that explicitly or implicitly is premised on Franchisor's direct and vicarious liability or arises from Franchisee's employment and personnel decisions, including wrongful termination, wage and hour

violations, and employee harassment and discrimination, (L) any acts, errors, or omissions of the Franchised Business, the Franchisee, and their officers, directors, managers, employees, independent contractors, or agents, (M) any customer or officer, director, manager, employee, independent contractor, or agent dissatisfaction with Franchisee, the Franchised Business, or the products and services provided by the Franchised Business, or (N) any third party claim that arises from or is connected with the ownership, establishment, use, non-use, possession, condition, operation, closure, or maintenance of each Premises, the products sold and installed by Franchisee, and the Franchised Business. Franchisee agrees that this obligation to indemnify is regardless of the cause or concurrent or contributing fault or negligence of the Franchisor Indemnified Parties. Franchisee hereby waives all claims against Franchisor Indemnified Parties arising from any of the foregoing. Franchisor Indemnified Parties shall not be liable for any act or omission of Franchisee or its officers, directors, managers, employees, independent contractors, or agents connected to or arising from the ownership, establishment, use, non-use, possession, condition, operation, or maintenance of each Premises and the Franchised Business.

(ii) **Indemnification Procedures.** Franchisee will also notify Franchisor by telephone of any Action within forty-eight (48) hours after such Action is initiated and in writing within four (4) days after such Action is initiated. Franchisor Indemnified Parties shall have the right, in their sole discretion, and at Franchisee's expense and risk, to: (A) retain counsel of their own choosing to represent them with respect to any claim, and (B) control the response thereto and the defense thereof, including the right to enter into settlements or take any other mitigating, remedial, corrective, or other actions they deem appropriate. Franchisee must reimburse Franchisor Indemnified Parties for all of Franchisor Indemnified Parties' costs, expenses, and all attorneys' fees immediately upon Franchisor Indemnified Parties' request. Franchisee shall not, without the prior written consent of the Franchisor Indemnified Party, (1) settle or compromise any claim or consent to the entry of any judgment with respect to any claim which does not include a written release from liability of such claim for the Franchisor Indemnified Parties, or (2) settle or compromise any claim in any manner that may adversely affect the Franchisor Indemnified Parties. Franchisee agrees to give its full cooperation to Franchisor Indemnified Parties in assisting with the defense of any such claim. Franchisor Indemnified Parties' undertaking of defense and/or settlement will in no way diminish Franchisee's obligations to indemnify Franchisor Indemnified Parties and to hold Franchisor Indemnified Parties harmless. Under no circumstance will Franchisor Indemnified Parties be required to seek recovery from any insurer or other third party or otherwise mitigate Franchisor Indemnified Parties' or the third parties' losses to maintain a claim for indemnification against Franchisee. Franchisee agrees that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable by Franchisor Indemnified Parties from Franchisee.

(iii) **Survival.** Any and all of the Franchisee's indemnification obligations under this Agreement shall survive the expiration, non-renewal, or sooner termination of this Agreement.

**17. Franchisee Representations.**

(A) EVEN THOUGH THIS AGREEMENT CONTAINS PROVISIONS REQUIRING FRANCHISEE TO OPERATE THE FRANCHISED BUSINESS IN COMPLIANCE WITH FRANCHISOR'S SYSTEM: (1) FRANCHISOR OR ITS AFFILIATES DO NOT HAVE ACTUAL OR APPARENT AUTHORITY TO CONTROL THE DAY-TO-DAY CONDUCT AND OPERATION OF FRANCHISEE'S BUSINESS OR EMPLOYMENT DECISIONS; AND (2) FRANCHISEE AND FRANCHISOR DO NOT INTEND FOR FRANCHISOR OR FRANCHISOR'S AFFILIATES TO INCUR ANY LIABILITY IN CONNECTION WITH OR ARISING FROM ANY ASPECT OF FRANCHISOR'S SYSTEM OR FRANCHISEE'S USE OF THE SYSTEM OR THE OPERATION OF THE FRANCHISED BUSINESS WHETHER OR NOT IN ACCORDANCE WITH THE REQUIREMENTS OF THE MANUALS.

(B) FRANCHISEE ACKNOWLEDGES THAT, IN ALL OF ITS DEALINGS WITH FRANCHISOR'S OWNERS, OFFICERS, DIRECTORS, EMPLOYEES, AND REPRESENTATIVES, THESE INDIVIDUALS ACT ONLY IN THEIR REPRESENTATIVE CAPACITY AND NOT IN AN INDIVIDUAL CAPACITY. FRANCHISEE ACKNOWLEDGES THAT THIS AGREEMENT AND ALL BUSINESS DEALINGS BETWEEN FRANCHISEE AND THESE INDIVIDUALS AS A RESULT OF THIS AGREEMENT ARE SOLELY BETWEEN FRANCHISEE AND FRANCHISOR. NOTWITHSTANDING THE FOREGOING, IF FRANCHISOR ENGAGES ANY BROKER, THAT BROKER WILL BE SOLELY LIABLE FOR ITS CONDUCT WITH FRANCHISEE EXCEPT THAT FRANCHISOR WILL REMAIN LIABLE FOR THE BROKER'S CONDUCT SOLELY TO THE EXTENT OF FRANCHISOR'S OWN CRIMINAL, INTENTIONAL, OR GROSSLY NEGLIGENT CONDUCT IN ENGAGING THE BROKER.

(C) FRANCHISOR MAKES NO WARRANTY AS TO FRANCHISEE'S ABILITY TO OPERATE THE FRANCHISED BUSINESS IN THE JURISDICTION IN WHICH THE FRANCHISED BUSINESS WILL BE OPERATED. FRANCHISEE MUST SEEK OR OBTAIN ADVICE OF COUNSEL SPECIFICALLY ON THIS ISSUE. IF LEGISLATION IS ENACTED, OR A REGULATION PROMULGATED, BY ANY GOVERNMENTAL BODY THAT PREVENTS FRANCHISEE FROM OPERATING THE FRANCHISED BUSINESS, FRANCHISOR IS NOT LIABLE FOR DAMAGES NOR REQUIRED TO INDEMNIFY FRANCHISEE IN ANY MANNER WHATSOEVER OR TO RETURN ANY MONIES RECEIVED FROM FRANCHISEE.

(D) IF FRANCHISEE'S BUSINESS ENTITY IS A CORPORATION OR A LIMITED LIABILITY COMPANY, FRANCHISEE MAKES THE FOLLOWING REPRESENTATIONS AND WARRANTIES: (1) FRANCHISEE'S BUSINESS ENTITY IS DULY ORGANIZED AND VALIDLY EXISTING UNDER THE LAWS OF THE STATE OF ITS FORMATION; (2) FRANCHISEE'S BUSINESS ENTITY IS QUALIFIED TO DO BUSINESS IN THE STATE OR STATES IN WHICH THE FRANCHISED BUSINESS IS LOCATED; (3) EXECUTION OF THIS AGREEMENT AND THE DEVELOPMENT AND OPERATION OF THE FRANCHISED BUSINESS IS PERMITTED BY THE BUSINESS ENTITY'S GOVERNING DOCUMENTS; AND (4) THE ENTITY'S ARTICLES OF INCORPORATION OR ARTICLES OF ORGANIZATION SHALL AT ALL TIMES PROVIDE THAT FRANCHISEE'S ACTIVITIES

ARE LIMITED EXCLUSIVELY TO THE DEVELOPMENT AND OPERATION OF THE FRANCHISED BUSINESS.

(E) IF FRANCHISEE IS AN INDIVIDUAL, FRANCHISEE MAKES THE FOLLOWING ADDITIONAL REPRESENTATIONS AND WARRANTIES: (I) EACH INDIVIDUAL HAS EXECUTED AN AGREEMENT WHEREBY THEY AGREE TO BE BOUND BY ALL THE TERMS OF THIS AGREEMENT AND (II) EACH INDIVIDUAL SHALL BE JOINTLY AND SEVERALLY BOUND BY, AND PERSONALLY LIABLE FOR THE TIMELY AND COMPLETE PERFORMANCE AND ANY BREACH OF, EACH AND EVERY PROVISION OF THIS AGREEMENT.

(F) IF FRANCHISEE'S BUSINESS ENTITY IS A CORPORATION OR A LIMITED LIABILITY COMPANY, FRANCHISEE HAS PROVIDED TO FRANCHISOR A CURRENT LIST OF ALL OWNERS AND FRANCHISEE AGREES THAT FRANCHISEE WILL ADVISE FRANCHISOR OF ANY AND ALL CHANGES IN OWNERSHIP.

(G) IF FRANCHISEE'S BUSINESS ENTITY IS A CORPORATION, FRANCHISEE SHALL MAINTAIN STOP-TRANSFER INSTRUCTIONS AGAINST THE TRANSFER ON ITS RECORDS OF ANY VOTING SECURITIES, AND EACH STOCK CERTIFICATE OF THE CORPORATION SHALL HAVE CONSPICUOUSLY ENDORSED UPON ITS FACE THE FOLLOWING STATEMENT: "ANY ASSIGNMENT OR TRANSFER OF THIS STOCK IS SUBJECT TO THE RESTRICTION IMPOSED ON ASSIGNMENT BY FRANCHISOR, PURSUANT TO FRANCHISE AGREEMENT(S) TO WHICH THE CORPORATION IS A PARTY." IF FRANCHISEE'S BUSINESS ENTITY IS A LIMITED LIABILITY COMPANY, EACH MEMBERSHIP OR MANAGEMENT CERTIFICATE OR OTHER EVIDENCE OF INTEREST IN FRANCHISEE SHALL HAVE CONSPICUOUSLY ENDORSED UPON ITS FACE THE FOLLOWING STATEMENT: "ANY ASSIGNMENT OR TRANSFER OF AN INTEREST IN THIS LIMITED LIABILITY COMPANY IS SUBJECT TO THE RESTRICTIONS IMPOSED ON ASSIGNMENT BY FRANCHISOR PURSUANT TO FRANCHISE AGREEMENT(S) TO WHICH THE LIMITED LIABILITY COMPANY IS A PARTY."

(H) FRANCHISEE ACKNOWLEDGES THAT IT HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE PROPOSED FRANCHISE AND RECOGNIZES THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS AND THAT ITS SUCCESS WILL BE LARGELY DEPENDENT UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS OWNER OR BUSINESS. FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY WARRANTY, OR GUARANTEE, OR REPRESENTATION OTHER THAN AS SET FORTH IN THE DISCLOSURE DOCUMENT, EXPRESS OR IMPLIED, FROM ANY EMPLOYEE OR AGENT OF FRANCHISOR AS TO THE POTENTIAL SALES VOLUMES, PROFITS, OR LEVEL OF SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT. FRANCHISOR HAS NOT REPRESENTED THAT (I) FRANCHISEE WILL EARN, CAN EARN, OR IS LIKELY TO EARN A GROSS OR NET PROFIT, (II) FRANCHISOR HAS KNOWLEDGE OF THE RELEVANT MARKET, OR (III) THE MARKET DEMAND WILL ENABLE FRANCHISEE TO EARN A PROFIT FROM THE FRANCHISED BUSINESS. FRANCHISEE ACKNOWLEDGES THAT IT RECEIVED A COPY OF THE COMPLETE

FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, THE ATTACHMENTS THERETO, AND THE AGREEMENTS RELATED THERETO, IF ANY, AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS SIGNED OR CONSIDERATION PAID.

**18. Governing law, Jurisdiction and Venue.**

**(a) Informal Resolution/Mediation.** Before commencing any legal action against Franchisor or its affiliates with respect to any claim or dispute and, except as set forth in Section 18(f) below, Franchisee shall submit to Franchisor, through Franchisor's registered agent as identified herein, a written notice which specifies, in detail, the precise nature and grounds of such claim or dispute. Within thirty (30) days after receiving the written notice, Franchisor and Franchisee shall meet in person or telephonically to discuss the issues raised in the written notice provided by Franchisee ("Informal Discussions"). After the Informal Discussions have occurred and if the dispute has not been resolved, Franchisor will have a period of twenty (20) days following the Informal Discussions to notify Franchisee as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. If Franchisor elects to submit the claim or dispute to mediation, the mediation will occur in North Wilkesboro, North Carolina in accordance with the American Arbitration Association's Commercial Mediation Rules then in effect. It is agreed that the mediator selected will have experience in franchise matters and/or franchise law and is not required to be affiliated with the American Arbitration Association. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such 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) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party shall bear its own cost of mediation and Franchisor and Franchisee shall share mediation costs equally. The parties shall not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in Section 18(a) 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) (A) any federally protected intellectual property rights in the Marks, the System, or in any Confidential Information, (B) any claims pertaining to or arising out of any warranty issue, or (C) any of the restrictive covenants contained in this Agreement. This agreement to mediate shall survive any termination, non-renewal, or expiration of this Agreement.

**(b) Venue.** Franchisee acknowledges that it has and will continue to develop a substantial and continuing relationship with Franchisor at its principal offices in the State of North Carolina, where Franchisor's decision-making authority is vested and where franchise operations are conducted and supervised. Therefore, Franchisee agrees that in consideration for Franchisor entering this Agreement, Franchisee hereby submits itself to the jurisdiction of the State of North Carolina. Courts of competent jurisdiction for Wilkes County, North Carolina shall have exclusive jurisdiction over any and all such legal or equitable dispute(s) between Franchisor and Franchisee not resolved pursuant to Section 18(a) above.

(c) **Attorneys' Fees and Costs.** In any action at law or in equity arising out of, in connection with, or in relation to this Agreement, the parties' relationship, or the Franchised Business, the prevailing party, as determined by the court in a final judgment or decree, shall be entitled to recover its reasonable costs and expenses (including attorneys' fees, expert witness fees, costs of investigation and proof of facts, court costs, costs and fees associated with appeals, and other litigation expenses) incurred in the prosecution or defense of any such action. If the prevailing party recovers judgment in any such action, the reasonable costs and expenses shall be included as part of the judgment.

(d) **CLASS ACTION WAIVER.** NO LITIGATION, ARBITRATION, OR OTHER ACTION OR PROCEEDING UNDER THIS AGREEMENT SHALL ADD AS A PARTY, BY CONSOLIDATION, JOINDER, OR IN ANY OTHER MANNER, ANY PERSON OR PARTY OTHER THAN FRANCHISEE AND FRANCHISOR AND ANY PERSON IN PRIVITY WITH, OR CLAIMING THROUGH, IN THE RIGHT OF, OR ON BEHALF OF, FRANCHISEE OR FRANCHISOR, UNLESS BOTH FRANCHISEE AND FRANCHISOR CONSENT IN WRITING. FRANCHISOR HAS THE ABSOLUTE RIGHT TO REFUSE SUCH CONSENT. FRANCHISEE AGREES AND ACKNOWLEDGES THAT ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP BETWEEN THE PARTIES, OR ANY AGREEMENT OR RELATIONSHIP BETWEEN FRANCHISEE AND ANY AFFILIATE OF FRANCHISOR WILL BE CONSIDERED UNIQUE ON ITS FACTS AND SHALL NOT BE BROUGHT AS A CLASS OR GROUP ACTION.

(e) **WAIVER OF CERTAIN DAMAGES.** EXCEPT FOR FRANCHISEE'S OBLIGATIONS TO INDEMNIFY FRANCHISOR INDEMNIFIED PARTIES UNDER THIS AGREEMENT AND CLAIMS FRANCHISOR BRINGS AGAINST FRANCHISEE FOR FRANCHISEE'S UNAUTHORIZED USE OF THE MARKS OR SYSTEM, UNAUTHORIZED USE OR DISCLOSURE OF CONFIDENTIAL INFORMATION, OR BREACH OF FRANCHISEE'S NON-COMPETITION OR NON-SOLICITATION COVENANTS, FRANCHISOR AND FRANCHISEE WAIVE ANY RIGHT TO OR CLAIM FOR PUNITIVE, CONSEQUENTIAL, EXEMPLARY, MULTIPLE, INCIDENTAL OR OTHER DAMAGES IN EXCESS OF THE ECONOMIC DAMAGES ACTUALLY SUSTAINED, WHETHER ASSERTED AS A RELATED OR INDEPENDENT TORT, AS A BREACH OF CONTRACT, OR AS ANY OTHER CLAIM OR CAUSE OF ACTION BASED ON STATUTORY OR COMMON LAW. FRANCHISEE AGREES THAT IN THE EVENT OF A DISPUTE BETWEEN FRANCHISOR AND FRANCHISEE, FRANCHISEE SHALL BE LIMITED SOLELY TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY FRANCHISEE. FRANCHISOR SHALL NOT BE LIABLE TO ANY PERSON OR ENTITY IN RELATION TO ANY PRODUCTS AND/OR SERVICES (INCLUDING ANY ASPECT OF THE LABOR OR INSTALLATION OF ANY EQUIPMENT, SERVICES, OR PRODUCTS) PROVIDED BY FRANCHISOR, FRANCHISOR'S AFFILIATES AND/OR ANY VENDOR OR PERSON REFERRED OR APPROVED BY FRANCHISOR. SUCH ITEMS ARE PROVIDED WITHOUT ANY WARRANTIES BY FRANCHISOR OR ITS AFFILIATES, WHETHER EXPRESS OR IMPLIED, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE BEING EXPRESSLY DISCLAIMED.

**(f) Remedies Cumulative; Relief in Equity.** All rights and remedies conferred upon Franchisor by this Agreement and by law shall be cumulative of each other, and neither the exercise nor the failure to exercise any such right or remedy shall preclude the exercise of any other such right or remedy. Franchisee acknowledges that the remedy at law for any actual or threatened breach of this Agreement by Franchisee may be inadequate and that Franchisor shall be entitled to specific performance hereof or injunctive relief or both by temporary or permanent injunction, or other appropriate judicial remedy, writ, or order in addition to any damages which Franchisor may be legally entitled to recover.

**(g) Governing Law and Limitations.** This Agreement and any claim or controversy arising out of or relating to rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed under the laws of the State of North Carolina and any dispute between the parties shall be governed by and determined in accordance with the substantive law of the State of North Carolina, which laws shall prevail in the event of any conflict of law. Nothing in this subsection is intended, or shall be deemed, to make any North Carolina law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if such law would not otherwise be applicable. Any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisee and Franchisor, or Franchisee's operation of the Franchised Business, brought by Franchisee against Franchisor, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

**(h) Enforcement Costs.** If Franchisee violates a term or condition contained within this Agreement, including but not limited to, withholding any monies owed to Franchisor in the absence of a court order permitting the withholding of such monies, Franchisee shall reimburse Franchisor for all reasonable costs incurred by Franchisor in pursuing the enforcement of this Agreement. These costs shall include, but not be limited to, court costs and fees, accounting costs and fees, expert witness costs and fees, reasonable attorneys' fees, the reasonable value of Franchisor's employees' time, witness fees and travel expenses incurred by Franchisor. The recovery of the costs and fees specified above shall include the recovery of all costs and fees incurred by Franchisor relating to or arising from any and all defenses, counterclaims and/or crossclaims asserted by Franchisee under this Agreement. This obligation will give rise to and remain a lien in favor of Franchisor against any and all of the assets, personal property, goodwill, fixtures, leaseholds, improvements, and cash of the Franchised Business.

## **19. Notices.**

Except as otherwise provided in this Agreement, all notices, requests, demands and other communications required or permitted to be given or made under this Agreement shall be in writing and shall be given (a) by personal delivery, (b) by registered or certified mail, return receipt requested, postage prepared, or (c) by delivery to a nationally recognized overnight courier service, in each case, addressed as follows:

If intended for Franchisor, addressed to the notice addresses in the Summary Pages.

If intended for Franchisee, addressed to the applicable notice address in the Summary Pages.

Or in either case, to such other address as may have been designated by notice to the other party.

Notice shall be deemed given and effective upon the first to occur of receipt, when proper delivery is refused, or two (2) calendar days after deposit in registered or certified U.S. Mail or with a nationally recognized overnight courier, as described above. Any notice that gives the sender evidence of delivery, rejected delivery, or delivery that is not possible because the recipient moved and left no forwarding address will be deemed to have been given at the date and time of receipt, rejected, and/or attempted delivery.

Additionally, Franchisor may provide the notice described in this Section 19 by email or other electronic system to (i) the email addresses set forth on the Summary Pages (ii) the email addresses Franchisor has approved or provided for Franchisee to use with the Franchised Business, or (iii) another electronic account that Franchisor has approved or provided for Franchisee to use with the Franchised Business. Such email notices shall be deemed given and effective upon the day on which the email was sent, unless Franchisor receives notice of rejected delivery by the email account or other electronic account.

Each Operating Owner and Non-Operating Owner shall provide Franchisor with a current mailing address and notify Franchisor each time that address changes during the Initial Term.

## **20. Miscellaneous.**

(a) **Severability.** The invalidity or unenforceability of any one or more provision of this Agreement shall in no way affect any other provision. If any court of competent jurisdiction determines any provision of this Agreement to be invalid, illegal, or unenforceable, that portion shall be deemed severed from the rest, which shall remain in full force and effect as though the invalid, illegal, or unenforceable portion had never been a part of this Agreement.

(b) **Construction.** All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, as the case may require. All acknowledgements, warranties, representations, covenants, agreements, and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all those executing this Agreement as Franchisee. The headings used in this Agreement are for convenience only, and the sections and subsections shall be interpreted as if such headings were omitted.

(c) **Entire Agreement.** This Agreement, the documents incorporated herein by reference and the exhibits attached hereto, comprise the entire agreement between the parties and all prior understands or agreements concerning the subject matter hereof are canceled and superseded by this Agreement. This Agreement may not be amended orally but may be amended only by a written instrument signed by the parties. Franchisee expressly acknowledges that no oral promises or declarations were made to it and that the obligations of Franchisor are confined exclusively to those set forth in this Agreement. Franchisee understands and assumes the business risks inherent in this enterprise. Notwithstanding the foregoing, nothing in this Agreement or any



related agreement is intended to disclaim the representations made in the Franchise Disclosure Document

(d) **Assignees.** This Agreement shall be binding upon the heirs, successors, permitted assigns and legal representatives of the parties.

(e) **Consent to Franchisor Initiated Amendments.** Franchisor reserves the right to amend this Agreement if a franchise agreement change proposed by Franchisor is agreed to by Eighty Percent (80%) of the then-current franchisees.

(f) **Waivers.** No failure of Franchisor to exercise any right given to it hereunder, or to insist upon strict compliance by Franchisee with any obligation, agreement or undertaking hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Franchisor's right to demand full and exact compliance by Franchisee and shall not affect or impair Franchisor's rights with respect to any subsequent default of the same or of a different nature, nor shall any delay or omission of Franchisor to exercise any right arising from such default affect or impair Franchisor's rights as to such default or any subsequent default. Franchisor has the unrestricted right to elect to not enforce (or to selectively enforce) any provision of this Agreement or any other agreement, standard, specification, procedure, or policy, whether with respect to Franchisee and/or any other franchisee or other person, or any affiliate of Franchisee or Franchisor, without liability.

(g) **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Agreement. The parties may utilize electronic means to transmit this Agreement or PDF copies of this Agreement and all such electronically transmitted copies of this Agreement shall be deemed as valid as originals. This Agreement may, but is not required to, be executed using electronic signatures. Electronic signatures shall be treated for all purposes as originals.

(h) **Time of Essence.** Franchisee agrees and acknowledges that time is of the essence with regard to Franchisee's obligations hereunder, and that all of Franchisee's obligations are material to Franchisor and this Agreement.

(i) **Evolving Agreements.** Franchisee acknowledges that Franchisor has entered, and will continue to enter, into agreements with other Franchisees that may contain provisions, conditions, and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that Franchisor and Franchisees other than Franchisee may have different rights and obligations does not affect the parties' duty to comply with this Agreement.

(j) **Delegation.** Franchisor shall have the right to delegate Franchisor's duties under this Agreement to any affiliated or non-affiliated entity, agent, or employee and Franchisee agrees to such assignment without any right to approve such actions.

(k) **Final Act.** The last signature applied to this Agreement shall be the signature of Franchisor's officer at Franchisor's headquarters in North Carolina. This Agreement shall not be binding on Franchisor until signed by Franchisor.

(l) **Covenant of Good Faith.** No covenant of good faith and fair dealing shall be implied into this Agreement, except that if applicable law shall imply such a covenant in this Agreement, Franchisor and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply such a covenant, Franchisee acknowledges that (i) this Agreement grants Franchisor the discretion to make decisions, take actions, and refrain from taking actions not inconsistent with Franchisor's explicit rights and obligations hereunder that may favorably or adversely affect Franchisee's interests, (ii) Franchisor will use its judgment in exercising such discretion based on Franchisor's assessment of its own interests and balancing those interests against the interests of Franchisee and other franchisees within the Network generally, and (iii) Franchisor will have no liability to Franchisee for the exercise of its discretion, so long as such discretion is not exercised in bad faith toward Franchisee, and (iv) in absence of such bad faith, no trier of fact in any legal action shall substitute its judgment for Franchisor's judgment so exercised.

(m) **No Security Interests.** Franchisee agrees to give no security interests, pledges, or encumbrances in Franchisee's customer deposits, products made for open customer orders, inventory, materials that bear the Marks or which are Franchisor's trade dress, or this Agreement without the prior written approval of Franchisor, which shall not be deemed a consent to assignment. Franchisor will not unreasonably withhold approval but is legitimately concerned to ensure: (i) that Franchisee not lose the business, (ii) that the business not be lost to the Network, and (iii) that Franchisor not have to defend a claim to franchise rights by anyone it shall not have agreed to accept as a franchisee. Franchisee shall immediately notify Franchisor in writing when one (1) or more liens are filed against the Franchisee and/or the Franchised Business under this Agreement.

## **21. Definitions.**

The following sets for the location of each defined term in this Agreement.

"Action" is defined in Section 16(b)(i).

"Advertising" is defined in Section 1(e).

"Affiliate" is defined in Section 1(e).

"Agreement" is defined in the preamble.

"Competing Services" is defined in Section 12(a)(iv).

"Computer Systems" is defined in Section 9(j).

"Confidential Information" is defined in Section 12(e)(iii).

"Customer" is defined in Section 12(a)(i).

"Data Protection and Security Policies" is defined in Section 9(k)(ii).

"Designated Contact" is defined in section 9(o)(ii).

"Disability" is defined in Section 11(e)(i).

"Fair Market Value" is defined in Section 15(b)(ii).

“Franchised Business” is defined in Section D of the Recitals.  
“Franchisee” is defined in the preamble.  
“Franchisor Indemnified Parties” is defined in Section 16(b)(i).  
“Franchisor” is defined in the preamble.  
“Headquarters” is defined in Section 1(b).  
“Informal Discussions” is defined in Section 18(a).  
“Initial Franchise Fee” is defined in Section 3(a)(i).  
“Initial Term” is defined in Section 2(a).  
“License” is defined in Section 1(a).  
“Losses” is defined in Section 16(b)(i).  
“Marks” is defined in Section C of the Recitals.  
“Network” is defined in Section A of the Recitals.  
“Non-Operating Owner” is defined in Section 9(o)(iii).  
“Notification and Remediation Related Costs” is defined in Section 9(k)(v).  
“Operating Owner” is defined in Section 9(o)(i).  
“Operations Manager” is defined in Section 9(o)(iv).  
“PCI-DSS” is defined in Section 9(k)(iii).  
“Personal Information” is defined in Section 9(k)(i).  
“Privacy Laws” is defined in Section 9(k)(iii).  
“Products and Services” is defined in Section 12(a)(iii).  
“Prospective Customer” is defined in Section 12(a)(ii).  
“Renewal Agreement” is defined in Section 2(b)(v).  
“Renewal Inspection” is defined in Section 2(b)(ii).  
“Renewal Term” is defined in Section 2(b).  
“Restricted Period” is defined in Section 12(a)(vi).  
“Restricted Territory” is defined in Section 12(a)(v).  
“Royalties” is defined in Section 3(a)(ii).  
“Satellite” is defined in Section 1(b).  
“Security Breach” is defined in Section 9(k)(v).  
“System” is defined in Section A of the Recitals.  
“Transfer Cap” is defined in Section 11(d)(i).  
“Transfer Inspection” is defined in Section 11(d)(i).  
“Transfer” is defined in Section 11(b).  
“Vendor” is defined in Section 1(e).

In witness whereof, the parties hereto have entered into this Franchise Agreement and hereby incorporate by reference the terms contained on the Summary Pages, under seal, and Franchisor has caused this instrument to be executed in its corporate name by an Officer and attested by its Secretary. The Franchisee has hereunto set its hand and seal.

**FRANCHISOR:**

WINDOW WORLD, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
Corporate Secretary

**[Signatures Continue on Following Page]**

**FOR OHIO RESIDENTS AND FRANCHISEES WITH TERRITORIES IN OHIO:** You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

**FRANCHISEE:**

WINDOW WORLD OF

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Print Name:\_\_\_\_\_

\_\_\_\_\_  
Print Name:\_\_\_\_\_

**FOR OHIO RESIDENTS AND FRANCHISEES WITH TERRITORIES AND/OR  
ACCEPTED HEADQUARTERS IN OHIO**

Notice of cancellation

\_\_\_\_\_  
(Enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement, or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver by hand or overnight courier service, a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to WINDOW WORLD, INC., 118 Shaver Street, North Wilkesboro, North Carolina 28659 (336) 667-2100, not later than midnight of \_\_\_\_\_.

I hereby cancel this transaction.

\_\_\_\_\_  
(Purchaser's Signature)

\_\_\_\_\_  
(Date)

**FOR OHIO RESIDENTS AND FRANCHISEES WITH TERRITORIES AND/OR  
ACCEPTED HEADQUARTERS IN OHIO**

Notice of cancellation

\_\_\_\_\_  
(Enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement, or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver by hand or overnight courier service, a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to WINDOW WORLD, INC., 118 Shaver Street, North Wilkesboro, North Carolina 28659, (336) 667-2100, not later than midnight of \_\_\_\_\_.

I hereby cancel this transaction.

\_\_\_\_\_  
(Purchaser's Signature)

\_\_\_\_\_  
(Date)

ATTACHMENT 1 TO FRANCHISE AGREEMENT  
**LEASE RIDER**

This Lease Rider is executed as of this date of \_\_\_\_\_, by and between \_\_\_\_\_ (“Tenant”) and \_\_\_\_\_ (“Landlord”) as a Rider to the lease dated \_\_\_\_\_ (as amended, renewed, and/or extended from time to time, the “Form Lease”) for the Premises located at \_\_\_\_\_ (“Premises”).

In the event of a conflict between the terms and conditions set forth within this Rider and the terms and conditions set forth in the Form Lease to which this Rider is attached, the terms and conditions set forth within this Rider shall govern and control. Capitalized terms used in this Rider shall have the meanings set forth in the Form Lease unless otherwise specified herein.

1. **Permitted Use.** The Premises are leased to Tenant for the use specified in Paragraph \_\_\_ of the Form Lease, including for administrative office and warehouse purposes in connection with Tenant’s operation of a franchised home improvement business that sells, markets, and installs custom-made windows, siding, and doors for residential and commercial use. Subject to compliance with zoning laws and other laws and regulations, Tenant may also use the Premises for promotions, celebrations, meetings, and other group functions where Tenant’s services and products will be offered or sold.

2. **Signage.** Notwithstanding anything contained within the Form Lease to the contrary, Tenant shall, subject to the requirements of local law, have the right to utilize its standard signage and other proprietary trademarks and service marks and identification on both the exterior and within the interior of the Premises as approved by WINDOW WORLD, INC., a North Carolina corporation and franchisor of the WINDOW WORLD concept (“Franchisor”).

3. **Assignment and Subletting.** Landlord’s consent to an assignment of the Form Lease or subletting of the Premises shall not be required in connection with an assignment or subletting as a part of a merger, reorganization or sale of all or substantially all of Tenant’s assets or business or an assignment or sublet to Franchisor, any parent, subsidiary or affiliate entity of Tenant or Franchisor, or another WINDOW WORLD franchisee. Landlord shall approve as an assignee or sublettee any tenant who has become a transferee of the Franchise Agreement by and between Tenant and Franchisor (“Franchise Agreement”) as a result of a merger, reorganization or sale of all or substantially all of Tenant’s assets as long as the transferee’s financial condition following such merger, reorganization, or sale is equal to or greater than that of Tenant or meets or exceeds Landlord’s then current financial requirements, whichever is less, as disclosed by such financial information as Landlord may reasonably request. Tenant shall also have the right, without the consent of Landlord, to assign the Form Lease to a company organized or to be organized by Tenant or a partnership formed or to be formed by Tenant, provided that Tenant owns or beneficially controls a majority of the issued and outstanding interests of the company or is the managing general partner of the partnership. Tenant shall provide to Landlord such financial and ownership information as Landlord reasonably requires in order to evaluate the proposed assignee’s financial condition and ownership structure.



**4. Notices; Opportunity to Cure.** Copies of any demand letters, default notices or other similar notices of non-compliance (“Notice”) sent by Landlord to Tenant shall also be sent to Franchisor at the following address:

Legal Department  
WINDOW WORLD, INC.  
118 Shaver St.  
North Wilkesboro, NC 28659  
Email: legal@windowworld.com

In the event Tenant fails to cure or otherwise remedy the subject matter of the Notice, and prior to exercising any remedies under the Form Lease, Landlord shall grant Franchisor the identical period of time in which to cure same (said cure period to commence immediately upon Notice from Landlord to Franchisor (at the address set forth herein) that Tenant has failed to cure in a timely manner) and Landlord agrees to accept the performance of Franchisor within said period of time as performance by Tenant pursuant to the terms of the Form Lease. Any Notice to Franchisor will be deemed given or received on the next business day after Landlord has deposited the Notice with a nationally recognized courier (such as UPS, FedEx, or DHL Worldwide) for next-day delivery and emailed Franchisor at the provided email addresses.

**5. Option to Lease.** Landlord hereby agrees that (i) in the event of the termination or expiration of the Franchise Agreement by and between Tenant and Franchisor, (ii) in the event of the termination of the Form Lease for any cause whatsoever including, without limitation, a default by Tenant under the Form Lease after expiration of any applicable notice and cure periods, (iii) in the event of Tenant’s failure to exercise any extension option contained in the Form Lease, or (iv) as otherwise permitted under the Franchise Agreement, Franchisor, any parent, subsidiary or affiliate of Franchisor, or another WINDOW WORLD franchisee shall have the option to lease the Premises pursuant to the same terms and conditions as are contained in the Form Lease, in accordance with any or all of the following:

(a) Landlord agrees to promptly give Notice to Franchisor (at the address set forth herein) in the event the Form Lease is terminated as the result of a default by Tenant or in the event Tenant fails to exercise any remaining options to extend the term of the Form Lease.

(b) If Franchisor, any parent, subsidiary, or affiliate of Franchisor, or another WINDOW WORLD franchisee, elects to lease the Premises, such party shall notify Landlord in writing of its election to exercise this option to lease within thirty (30) days after (i) termination or expiration of the Franchise Agreement; (ii) Franchisor’s receipt of Notice from Landlord that the Form Lease has been terminated; or (iii) receipt of Notice from Landlord that Tenant has failed to exercise an option to extend the term of the Form Lease.

(c) If Franchisor, any parent, subsidiary, or affiliate of Franchisor, or another WINDOW WORLD franchisee elects to lease the Premises under any of the conditions set forth in Section 5(i) to (iv) above, Franchisor, any parent, subsidiary, or affiliate of Franchisor, or another WINDOW WORLD franchisee shall sign and deliver to Landlord a lease containing all of the same terms and conditions (including rental rates, terms and remaining options to extend

the term of the Form Lease) as are contained in the Form Lease; provided, however, that such party's leasehold interest shall not be subject to any defaults or claims that may exist between Landlord and Tenant and any such lease shall permit Franchisor, any parent, subsidiary, or affiliate of Franchisor, or another WINDOW WORLD franchisee to assign the lease or sublease the Premises to a franchisee of Franchisor for use as a WINDOW WORLD franchised business so long as there then exists no default under such new lease or circumstances that, with the giving of Notice or the passage of time, or both, would constitute a default.

(d) Nothing contained herein shall affect Landlord's right to recover any and all amounts due under the Form Lease from Tenant or to exercise any right of Landlord against Tenant as provided under the Form Lease.

**6. De-identification.** Landlord and Tenant hereby acknowledge that in the event the Franchise Agreement expires or is terminated, Tenant is obligated under the Franchise Agreement to take certain steps to de-identify the location as a WINDOW WORLD franchise location operated by Tenant. Landlord agrees to cooperate fully with Franchisor in enforcing such provisions of the Franchise Agreement against Tenant, including allowing Franchisor, its employees and agents to enter and remove signs, decor and materials bearing or displaying any marks, designs or logos of Franchisor; provided, however, that Landlord shall not be required to bear any expense thereof and that such removal shall be completed by Tenant or Franchisor within twenty (20) days after the expiration or termination of the Franchise Agreement. Tenant agrees that if Tenant fails to de-identify the Premises promptly upon termination or expiration as required under the Franchise Agreement, Franchisor may cause all required de-identification to be completed at Tenant's sole cost and expense. If Franchisor elects to remove any such signs, décor, etc., Franchisor and its agents or contractors shall not unreasonably interfere with or disrupt the tenancies of any other tenants in the Building or the Project, and Franchisor shall promptly repair any damage to the Premises or the Building that is caused by such removal by Franchisor or its employees, agents, or contractors. Franchisor shall defend and indemnify Landlord from and against any and all claims, damages, losses, liabilities, fines, sanctions, fees and costs, including but not limited to attorneys' fees, arising from or relating to the exercise of any such removal rights by Franchisor or its agents or contractors hereunder. As a condition to entry into the Premises for the purposes specified herein, Franchisor or its contractor shall provide Landlord with satisfactory evidence of commercial general liability insurance. Franchisor shall commence repairs for any physical damage caused to the Premises or the Building as a result of the deidentification process by Franchisor or its agents or contractors hereunder within fifteen (15) days after Notice of such damage is given by Landlord to Franchisor and complete such repairs within thirty (30) days after such Notice has been given, or, if the repair reasonably takes longer than thirty (30) days due to the nature of the repair or other circumstances beyond Franchisor's reasonable control, then as soon as practicable not to exceed sixty (60) days after such Notice has been given. In the event Franchisor fails to commence or complete the repairs with the time specified above, Landlord may cause the damage to be repaired and Franchisor will be liable to reimburse Landlord for the entire cost of such repair within twenty (20) days after Landlord's written demand for payment is received or deemed received by Franchisor. In the event Landlord brings an action to enforce Franchisor's obligations under this subsection, the prevailing party in such action will be entitled to recover

from the other party the prevailing party's reasonable attorneys' fees and costs of suit, including expert witness fees, if applicable.

**7. Assignment of Interest.** This Rider is binding and shall inure to the benefit of Landlord, Tenant, and Franchisor, any parent, subsidiary, or affiliate of Franchisor, or another WINDOW WORLD franchisee, their assigns, and successors-in-interest. Franchisor, any parent, subsidiary, or affiliate of Franchisor, or another WINDOW WORLD franchisee are intended beneficiaries of this Rider, provided such parties shall have no liability for any of Tenant's obligations under the Form Lease. Franchisor signs below for the limited purpose of acknowledging and agreeing to the provisions of this Rider.

**8. Non-disturbance from Mortgage Lenders.** It is a condition of the Form Lease being subordinated to any mortgage, deed of trust, deed to secure debt or similar encumbrance on the Premises that the holder of such encumbrance agrees not to disturb Tenant's rights under the Form Lease or Tenant's possession of the Premises, so long as Tenant is not in default of its obligations under the Form Lease beyond any applicable grace or cure period provided therein. If a mortgage, deed of trust or deed to secure debt currently encumbers the Premises, it is a condition precedent to Tenant's obligations under the Form Lease that the holder of such encumbrance enter into a written recordable form of subordination and non-disturbance agreement with Tenant, in a form reasonably acceptable to Tenant, as described above.

**9. Security Interest.** Any security interest and/or landlord's lien of Landlord in Tenant's trade fixtures, trade dress, signage, equipment, inventory, and other personal property is hereby subordinated to any security interest and pledge granted to Franchisor in such items.

**LANDLORD:**

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Name: \_\_\_\_\_

**TENANT:**

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Name: \_\_\_\_\_

Agreed to:

**FRANCHISOR:**

WINDOW WORLD, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTACHMENT 2 TO FRANCHISE AGREEMENT  
COMMUNICATIONS CONSENT**

By signing below, I consent to WINDOW WORLD, INC., its affiliates, and service providers contacting me at the mobile telephone number below, or other numbers as I may update them from time to time, using an automatic telephone dialing system, artificial prerecorded voice, and automatic text and voice messages. I also consent to WINDOW WORLD, INC., its affiliates, and service providers contacting me at the email address below. Message and data rates may apply. I agree to update WINDOW WORLD, INC. each time I change the below email address or phone number.

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**ATTACHMENT 3 TO FRANCHISE AGREEMENT  
LIMITED PERSONAL GUARANTY**

As an inducement of WINDOW WORLD, INC. ("Franchisor") to sign the Franchise Agreement with \_\_\_\_\_ ("Franchisee") dated of even date herewith ("Franchise Agreement"), the shareholders or members who own five percent (5%) or more of the outstanding equity interest in the Franchisee business entity ("Guarantors") jointly and severally agree as follows:

1. Guarantors shall unconditionally guarantee full repayment of, or performance and discharge by Franchisee of all the obligations of Franchisee relating to, any customer deposits which remain outstanding or unfulfilled upon termination, expiration, non-renewal, or transfer of the Franchise Agreement or upon the bankruptcy, insolvency, dissolution, or other liquidation of Franchisee.

2. Guarantors shall indemnify and save harmless Franchisor; Franchisor's predecessors and affiliates; and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities (collectively, "Franchisor Indemnified Parties") against and from all losses, damages, costs, and expenses which Franchisor and its affiliates may sustain, incur, or become liable for by reason of:

(a) the failure for any reason whatsoever of Franchisee to perform its obligations relating to any customer deposits which remain outstanding or unfulfilled upon termination, expiration, non-renewal, or transfer of the Franchise Agreement or upon the bankruptcy, insolvency, dissolution, or other liquidation of Franchisee; or

(b) any act, action, or proceeding of or by Franchisor for or in connection with the recovery of monies or the obtaining of performance by Franchisee of its obligations relating to any customer deposits which remain outstanding or unfulfilled upon termination, expiration, or non-renewal or transfer of the Franchise Agreement or upon the bankruptcy, insolvency, dissolution, or other liquidation of Franchisee.

3. Franchisor shall not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Guarantors herein set out, and the enforcement of such obligations may take place before, after, or contemporaneously with enforcement of any debt or obligation of Franchisee under the Franchise Agreement.

4. Without affecting the Guarantors' obligations under this Guarantee, Franchisor, without notice to the Guarantors, may extend, modify, or release any indebtedness or obligation of Franchisee or settle, adjust, or compromise any claims against Franchisee. Guarantors waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

5. Guarantors' obligations hereunder shall remain in full force and effect, and shall be unaffected by: (a) the unenforceability of the Franchise Agreement against Franchisee; (b) the termination of any obligations of Franchisee under the Franchise Agreement by operation of law or otherwise; (c) the bankruptcy, insolvency, dissolution, or other liquidation of Franchisee, including, without limitation, any surrender or disclaimer of the Franchise Agreement by the trustee in bankruptcy of Franchisee; (d) Franchisor's consent or acquiescence to any bankruptcy, receivership, insolvency, or any other creditor's proceedings of or against Franchisee, or the winding-up or dissolution of Franchisee, or any other event or occurrence which would have the effect at law of terminating the existence of Franchisee's obligations prior to the termination of the Franchise Agreement; or (e) by any other agreements or other dealings between Franchisor and Franchisee having the effect of amending or altering the Franchise Agreement or Franchisee's obligations hereunder or by any want of notice by Franchisor to Franchisee of any default of Franchisee or by any other matter, thing, act, or omission of Franchisor whatsoever.

6. The provisions of Section 19 of the Franchise Agreement shall apply to any notice to either party, except that notice to Guarantors shall be as follows:

**NOTICE TO GUARANTORS**

NAME

ADDRESS

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**SIGNATURE PAGE FOLLOWS**

In witness whereof, each of the undersigned has signed this Limited Personal Guaranty as of the date of the Franchise Agreement.

**GUARANTORS:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

ATTACHMENT 4 TO FRANCHISE AGREEMENT  
INTERNET, SOCIAL MEDIA, AND TELEPHONE ASSIGNMENT

This Assignment Agreement (“Assignment”) is made and entered into as of \_\_\_\_\_, between WINDOW WORLD, INC., a North Carolina corporation (“Franchisor”) and \_\_\_\_\_ (“Franchisee”).

A. Franchisor has developed a unique system for operating a business that sells, markets, and installs custom-made windows, siding, and doors for residential and commercial use (“System”);

B. Franchisor and Franchisee have entered into a Franchise Agreement dated \_\_\_\_\_ (“Franchise Agreement”), pursuant to which Franchisee was granted the right to operate a WINDOW WORLD franchised business under the System; and

C. It is the desire of and in the best interests of Franchisor and the System that in the event the Franchise Agreement terminates, expires, or is not renewed, the telephone numbers, telephone directory listings, internet addresses, and social media accounts used by Franchisee in connection with the operation of its WINDOW WORLD franchised business are assigned to Franchisor.

NOW THEREFORE, in consideration of the foregoing and Franchisor agreeing to enter into the Franchise Agreement, Franchisor and Franchisee agree as follows:

1. **Telephone and Internet Listings.** Franchisee hereby agrees to assign to Franchisor: (a) those certain telephone numbers and regular, classified or other telephone directory listings used by Franchisee in connection with operating the WINDOW WORLD franchised business (collectively, the “Telephone Listings”) and (b) all email addresses, domain names, social media accounts and comparable electronic identities that use the Marks and any Internet directory, web site or similar item used by Franchisee in connection with the operation of the Franchised Business, whether now-existing or adopted by Franchisee in the future (collectively “Internet Listings”).

2. **Listings.** This Assignment is for collateral purposes only and, except as specified herein, Franchisor will have no liability or obligation of any kind whatsoever arising from or in connection with Franchisee’s use of the Telephone Listings and the Internet Listings (collectively the “Listings”) unless and until Franchisor notifies the telephone company and the listing agencies with which Franchisee has placed telephone directory listings (all such entities are collectively referred to herein as “Telephone Company”), Franchisee’s Internet service provider (“ISP”), and social media web sites (“Web sites”) to effectuate the assignment pursuant to the terms hereof.

3. **Assignment.** Upon termination, expiration, or nonrenewal of the Franchise Agreement (without renewal or extension), Franchisor will have the right and is hereby empowered to effectuate the assignment of the Listings to itself or to any third party it designates. In the event Franchisor exercises its assignment rights Franchisee will have no further right, title or interest in the Listings; provided, however, Franchisee will pay all amounts owed in connection with the Listings, including all sums owed to us, our affiliate’s, or our approved vendors under



existing contracts for telephone directory advertising and immediately, at Franchisor's request, (a) take any other action as may be necessary to transfer the Listings to Franchisor or Franchisor's designated agent, (b) install and maintain, at Franchisee's sole expense, an intercept message, in a form and manner acceptable to Franchisor on any or all of the Listings; (c) disconnect the Listings; and/or (d) cooperate with Franchisor or its designated agent in the removal or relisting of any telephone directory or directory assistance listing, Internet directory, web site or advertising, whether published or online.

4. **Attorney in Fact.** Franchisee appoints Franchisor as Franchisee's attorney-in-fact, to act in Franchisee's place, for the purpose of assigning any Listings covered by the Assignment to Franchisor or Franchisor's designated agent or taking any other actions required of Franchisee under this Agreement. Franchisee grants Franchisor full authority to act in any manner proper or necessary to the exercise of the forgoing powers, including full power of substitution and execution or completion of any documents required or requested by any telephone or other company to transfer such numbers, and Franchisee ratifies every act that Franchisor may lawfully perform in exercising those powers. This power of attorney shall be effective for a period of two (2) years from the date of expiration, termination, or nonrenewal of Franchisee's rights under the Agreement for any reason. Franchisee intends that this power of attorney be coupled with an interest. Franchisee declares this power of attorney to be irrevocable and renounces all rights to revoke it or to appoint another person to perform the acts referred to in this instrument. This power of attorney shall not be affected by the subsequent incapacity of Franchisee. This power is created to secure performance of a duty to Franchisor and is for consideration.

5. **Proof.** The parties agree that the Telephone Company, the Web sites, and the ISP may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Listings upon such termination, expiration or nonrenewal of the Franchise Agreement and that such assignment shall be made automatically and effective immediately upon Telephone Company's, Web sites' and ISP's receipt of such notice from Franchisor or Franchisee. The parties further agree that if the Telephone Company, the Web sites, or the ISP requires that the parties execute the Telephone Company's, the Web sites,' or the ISP's assignment forms or other documentation at the time of termination, expiration or nonrenewal of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination, expiration, or non-renewal of the Franchise Agreement.

6. **Miscellaneous.** The validity, construction and performance of this Assignment is governed by the laws of the State in which Franchisor is located. All agreements, covenants, representations and warranties made in this Agreement survive the signing of this Agreement. All of Franchisor's rights inure to Franchisor's benefit and to the benefit of Franchisor's successors and assigns.

**SIGNATURE PAGE FOLLOWS**

**FRANCHISOR:**

WINDOW WORLD, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

ATTACHMENT 5 TO FRANCHISE AGREEMENT  
**NONDISCLOSURE AND NONCOMPETITION AGREEMENT**  
(For owner spouses and domestic partners and Operations Managers)

This Nondisclosure and Noncompetition Agreement (“Agreement”) is made and entered into as of \_\_\_\_\_ (“Effective Date”) by and between WINDOW WORLD, INC., a North Carolina corporation (“Franchisor”) and \_\_\_\_\_ (“Associate”), who resides at \_\_\_\_\_.

**A.** Franchisor is engaged in the business of selling franchises for the operation of a business that markets, sells, and installs exterior remodeling products in residential and light commercial settings (“Franchised Business”). The Franchised Businesses are operated under the trademark “WINDOW WORLD” and other service marks, trademarks, and other commercial symbols (collectively, the “Marks”).

**B.** Franchisor has developed methods for establishing, operating and promoting Franchised Businesses pursuant to Franchisor’s Confidential Information (defined below) and such Confidential Information as may be further developed from time to time by Franchisor.

**C.** Franchisor and its affiliates have established substantial goodwill and an excellent reputation, which goodwill and reputation have been and will continue to be of major benefit to Franchisor.

**D.** Associate desires to become involved with \_\_\_\_\_ (“Franchisee”), a franchisee of Franchisor that operates a Franchised Business in the capacity of an Operations Manager of the Franchised Business, or a spouse or domestic partner of an owner of a Franchised Business, and will become privileged as to certain Confidential Information.

**E.** Associate and Franchisor have reached an understanding with regard to nondisclosure by Associate of Confidential Information and with respect to noncompetition by Associate with Franchisor and other franchisees of Franchisor. Associate agrees to the terms of this Agreement as partial consideration for Franchisor’s willingness to allow Associate to engage in a business relationship with Franchisor or Franchisee using Franchisor’s Confidential Information.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and Franchisor, intending legally to be bound, agree as follows:

**1. Definitions.**

**(a)** “Competing Services” means the business of promoting, selling, advertising, installing, and/or providing Products and Services.

**(b)** “Confidential Information” means the information, not generally known to the public, in any form, relating to the Franchised Business and its operations, including all trade secrets; all knowledge, know-how, standards, processes, methods, and procedures related to the establishment and operation of the Franchised Business not generally known to the public; all

records pertaining to customers and vendors of, and/or related in any way to, the Franchised Business (such as all names, addresses, phone numbers, email addresses for customers and vendors; customer purchase records; customer measurements; customer preferences; and mail lists); franchisee lists; vendor information; pricing data; sources of supply; technical information about Products and Services; electronic code, formulas, compositions, inventions, research, designs, advertising materials, and business, sales, and advertising strategies; financial information of Franchisee, Franchisor, or any affiliate or franchisee of Franchisor; business forms and customer contract forms and documents; databases; training materials; knowledge of the franchise system; contracts and agreements; transaction information; negotiations and pending negotiations for the sale of Products and Services; other confidential or proprietary information of any franchisee, Franchisor's affiliates, customers, vendors, or investors; and any other data and information that Franchisor or its affiliates, designates as confidential, including all information contained in the Manuals.

(c) "Franchise Agreement" shall mean the franchise agreement between Franchisor and Franchisee, as amended or renewed from time to time.

(d) "Headquarters" shall have the meaning in the Franchise Agreement.

(e) "Term" shall mean period between the Effective Date through the first date of the Restrictive Period.

(f) "Products and Services" means the advertising, selling, and/or installing of custom-made windows, siding, entry door systems, and any products or services Franchisee, Franchisor, or any affiliates or franchisees of Franchisor offer under Franchisor's Mark, (i) for covenants relating to the Term, the Term, and (ii) for covenants relating to the Restrictive Period, during the twelve (12) month period preceding the first date of the Restrictive Period.

(g) "Restrictive Period" shall mean a period of two (2) years that begins the earlier of (i) the date of termination, expiration, or non-renewal of the Franchise Agreement, regardless of the reason for such termination, expiration, or non-renewal, or (ii) the date Associate's association with Franchisee or the Franchised Business ends for any reason, including but not limited to, divorce, separation, sale, termination, or transfer.

(h) "Restricted Territory" means:

(i) An area which combined includes (A) the Territory (including at the Headquarters and any Satellites), (B) any Gray Area within which Franchisee operated during the Term, and (C) the territories in which Franchisor, Franchisor's affiliates, or Franchisor's other franchisees operate any WINDOW WORLD businesses; or

(ii) Only in the event the foregoing is determined by a court of law to be too broad, an area which combined includes any area within a 15-mile radius of (A) the Headquarters or any Satellites (including at the Headquarters and any Satellites) and (B) the locations of any other WINDOW WORLD businesses owned by Franchisor, its affiliates, or franchisees; or

(iii) Only in the event the foregoing is determined by a court of law to be too broad, an area which combined includes (A) the Territory assigned to Franchisee (including at the Headquarters and any Satellites) and (B) any area within a 5-mile radius of the locations of any other WINDOW WORLD businesses owned by Franchisor, its affiliates, or franchisees; or

(iv) Only in the event the foregoing is determined by a court of law to be too broad, the Territory (including at the Headquarters and any Satellites), or

(v) Only in the event the foregoing is determined by a court of law to be too broad, an area which combined includes any area within a 5-mile radius of the Headquarters or any Satellite (including at the Headquarters and any Satellites); or

(vi) Only in the event the foregoing is determined by a court of law to be too broad, at the Headquarters or any Satellite.

Each of the foregoing is determined as of the first date of the Restrictive Period.

(i) “Satellite” shall have the meaning in the Franchise Agreement.

(j) “Territory” shall have the meaning defined in the Franchise Agreement.

**2. Non-Use and Non-Disclosure of Confidential Information.** Associate and Franchisor acknowledge that the Confidential Information is developed and utilized in connection with the operation of the Franchised Business is unique and the exclusive property of Franchisor or its affiliates. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to Franchisor or its affiliates. Associate further acknowledges that Franchisor or its affiliates have expended a great amount of effort and money in obtaining and developing the Confidential Information, that Franchisor or its affiliates have taken numerous precautions to guard the secrecy of the Confidential Information, and that it would be very costly for competitors to acquire or duplicate the Confidential Information. During the Term and any time thereafter, and without any geographic limitation, Associate shall not use for its own benefit or communicate or divulge to, or use for the benefit of any other person or entity, the Confidential Information. Associate shall disclose to the owners, officers, employees and independent contractors to the Franchised Business only such Confidential Information as is necessary to perform Associate’s role with the Franchised Business and then only while the Franchise Agreement is in effect.

**3. In-Term Covenant Against Unfair Competition.** During the Term, Associate will not, without Franchisor’s prior written consent for themselves, or through, on behalf of, or in conjunction with any other person or entity:

(a) engage in the business of providing Competing Services or assist any other person or entity in providing Competing Services.

(b) be employed by, manage, engage in, advise, make loans to, or have any other interest in, as a partner, owner, officer, executive, managerial employee, director, salesperson, or consultant, any person or entity that provides Competing Services.

(c) perform any other act injurious or prejudicial to the goodwill associated with the Marks, System, or Network.

**4. Post-Termination Covenant Against Unfair Competition.** During the Restrictive Period, Associate will not, without Franchisor's prior written consent for themselves, or through, on behalf of, or in conjunction with any other person or entity, in the Restricted Territory:

(a) Engage in the business of providing Competing Services or assist any other person or entity in providing Competing Services.

(b) Be employed by, or engaged as a consultant or contractor by, any person or entity that provides Competing Services in any position in which Associate would perform (or direct others in performing):

(i) Duties that are the same as or substantially similar to the work Associate engaged in and/or performed as an associate of Franchisee or Franchisor at any time during the one (1) year period prior to the first date of the Restrictive Period, or

(ii) Duties that would require or permit Associate to use or disclose Confidential Information for Associate's benefit or the benefit of any person or entity other than Franchisor.

(c) Manage, make loans to, or have any other interest in as a partner, owner, officer, executive, or director, any person or entity that provides Competing Services.

**5. Injunction.** Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, Franchisor shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which Franchisor may be entitled. Associate agrees that Franchisor may obtain such injunctive relief, without posting a bond or bonds totaling Five Hundred Dollars (\$500) or more, but upon due notice, and Associate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon a hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Associate.

**6. Reasonableness of Restrictions.** Associate acknowledges and agrees that the restrictions set forth in this Agreement are reasonable and necessary for the protection of the Confidential Information and that any violation of this Agreement would cause substantial and irreparable injury to Franchisor, and that Franchisor would not have entered into a business relationship with Associate or Franchisee or enter into this Agreement or the Franchise Agreement without receiving Associate's unrestricted promise to preserve the confidentiality of the Confidential Information. In any litigation concerning the entry of any requested injunction

against Associate, Associate, for value, voluntarily waives such defenses as Associate might otherwise have under the law of the jurisdiction in which the matter is being litigated relating to any claimed “prior breach” on the part of Franchisor; it being specifically understood and agreed between the parties that no action or lack of action on the part of Franchisor will entitle or permit Associate to disclose any such Confidential Information in any circumstances.

7. **Tolling.** Associate acknowledges and agrees that the Restricted Period will be tolled and will not run during any time Associate is in violation of Associate’s obligations under this Agreement and will be extended by the period of time during which Associate is in violation of Associate’s obligations under this Agreement.

8. **Activities not a Violation.** Notwithstanding anything in this Agreement to the contrary, Associate’s purchase of a publicly traded security of a corporation engaged in providing Competing Services shall not in itself be deemed violative of this Agreement so long as Associate does not own more than one percent (1%) of the securities of such corporation.

9. **Effect of Waiver.** The waiver by Franchisor of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

10. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of Associate and Franchisor and their respective heirs, executors, representatives, successors and assigns.

11. **Entire Agreement.** This instrument contains the entire agreement of Associate and Franchisor relating to the matters set forth herein. It may not be changed verbally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

12. **Governing Law; Jurisdiction and Venue.**

(a) If Associate is a Franchisee or guarantor under the Franchise Agreement, the governing law and dispute resolution of the Franchise Agreement shall apply to this Agreement.

(b) If Associate is not a Franchisee or guarantor, the following terms apply: The laws of North Carolina (without giving effect to its conflicts of law principles) govern all matters arising under and relating to this Agreement, including torts and breach of contract. Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of North Carolina. Courts of competent jurisdiction for Wilkes County, North Carolina shall have exclusive jurisdiction over any and all such legal or equitable dispute(s) between Franchisor and Associate. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of North Carolina. Notwithstanding the foregoing, in the event that the laws of the state where Associate resides prohibit the aforesaid designation of jurisdiction and venue, then such other state’s laws shall control.

**13. Severability.** If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement that shall otherwise remain in full force and effect.

**14. Attorneys' Fees.** In any action at law or in equity arising out of, in connection with, or in relation to this Agreement, the prevailing party, as determined by the court in a final judgment or decree, shall be entitled to recover its reasonable costs and expenses (including attorneys' fees, expert witness fees, costs of investigation and proof of facts, court costs, costs and fees associated with appeals, and other litigation expenses) incurred in the prosecution or defense of any such action. If the prevailing party recovers judgment in any such action, the reasonable costs and expenses shall be included as part of the judgment.

**15. Miscellaneous.** Due to the importance of this Agreement to Franchisor, any claim Associate has against Franchisor is a separate matter and does not entitle Associate to violate, or justify any violation of, this Agreement. Associate agrees that all the words and phrases used in this Agreement will have the same meaning as used in the Franchise Agreement or as otherwise defined herein.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written.

**FRANCHISOR:**

**ASSOCIATE:**

WINDOW WORLD, INC.

By: \_\_\_\_\_

\_\_\_\_\_

Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_



ATTACHMENT 6 TO FRANCHISE AGREEMENT  
**NONDISCLOSURE AND NON-SOLICITATION AGREEMENT**  
(For owner spouses and domestic partners and Operations Managers)

This Nondisclosure and Non-Solicitation Agreement (“Agreement”) is made and entered into as of \_\_\_\_\_ (“Effective Date”) by and between WINDOW WORLD, INC., a North Carolina corporation (“Franchisor”) and \_\_\_\_\_ (“Associate”), who resides at \_\_\_\_\_.

**A.** Franchisor is engaged in the business of selling franchises for the operation of a business that markets, sells, and installs exterior remodeling products in residential and light commercial settings (“Franchised Business”). The Franchised Businesses are operated under the trademark “WINDOW WORLD” and other service marks, trademarks, and other commercial symbols (collectively, the “Marks”).

**B.** Franchisor has developed methods for establishing, operating and promoting Franchised Businesses pursuant to Franchisor’s Confidential Information (defined below) and such Confidential Information as may be further developed from time to time by Franchisor.

**C.** Franchisor and its affiliates have established substantial goodwill and an excellent reputation, which goodwill and reputation have been and will continue to be of major benefit to Franchisor.

**D.** Associate desires to become involved with \_\_\_\_\_ (“Franchisee”), a franchisee of Franchisor that operates a Franchised Business in the capacity of an Operations Manager of the Franchised Business, or a spouse or domestic partner of an owner of a Franchised Business, and will become privileged as to certain Confidential Information.

**E.** Associate and Franchisor have reached an understanding with regard to nondisclosure by Associate of Confidential Information and with respect to non-solicitation of customers and vendors. Associate agrees to the terms of this Agreement as partial consideration for Franchisor’s willingness to allow Associate to engage in a business relationship with Franchisor or Franchisee using Franchisor’s Confidential Information.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and Franchisor, intending legally to be bound, agree as follows:

**1. Definitions.**

**(a)** “Competing Services” means the business of promoting, selling, advertising, installing, and/or providing Products and Services.

**(b)** “Customer” means any person or entity to whom Franchisee provided any of its Products and Services, with whom Associate had dealings, or about whom Associate obtained or had access to Confidential Information, (i) for covenants relating to the Term, during the Term, or (ii) for covenants relating to the Restrictive Period, during the twelve (12) month period preceding the first date of the Restrictive Period.

**(c)** “Confidential Information” means the information, not generally known to the public, in any form, relating to the Franchised Business and its operations, including all trade secrets; all knowledge, know-how, standards, processes, methods, and procedures related to the establishment and operation of the Franchised Business not generally known to the public; all records pertaining to customers and vendors of, and/or related in any way to, the Franchised Business (such as all names, addresses, phone numbers, email addresses for customers and vendors; customer purchase records; customer measurements; customer preferences; and mail lists); franchisee lists; vendor information; pricing data; sources of supply; technical information about Products and Services; electronic code, formulas, compositions, inventions, research, designs, advertising materials, and business, sales, and advertising strategies; financial information of Franchisee, Franchisor, or any affiliate or franchisee of Franchisor; business forms and customer contract forms and documents; databases; training materials; knowledge of the franchise system; contracts and agreements; transaction information; negotiations and pending negotiations for the sale of Products and Services; other confidential or proprietary information of any franchisee, Franchisor’s affiliates, customers, vendors, or investors; and any other data and information that Franchisor or its affiliates, designates as confidential, including all information contained in the Manuals.

**(d)** “Franchise Agreement” shall mean the franchise agreement between Franchisor and Franchisee as amended or renewed from time to time.

**(e)** “Headquarters” shall have the meaning in the Franchise Agreement.

**(f)** “Term” shall mean the period from the Effective Date through the first date of the Restrictive Period.

**(g)** “Products and Services” means the advertising, selling, and/or installing of custom-made windows, siding, entry door systems, and any products or services Franchisee, Franchisor, or any affiliates or franchisees of Franchisor offer under Franchisor’s Mark, (i) for covenants relating to the Term, the Term, and (ii) for covenants relating to the Restrictive Period, during the twelve (12) month period preceding the first date of the Restrictive Period.

**(h)** “Prospective Customer” means any person or entity whom Franchisee or Associate solicited, had communications with, or made a proposal to for the purpose of seeking engagement to provide any of the Products and Services, with whom Associate had, or about whom Associate obtained or had access to Confidential Information, (i) for covenants relating to the Term, the Term, and (ii) for covenants relating to the Restrictive Period, during the twelve (12) month period preceding the first date of the Restrictive Period.

**(i)** “Restrictive Period” shall mean a period of two (2) years that begins the earlier of (i) the date of termination, expiration, or non-renewal of the Franchise Agreement, regardless of the reason for such termination, expiration, or non-renewal, or (ii) the date Associate’s association with Franchisee or the Franchised Business ends for any reason, including but not limited to, divorce, separation, sale, termination, or transfer.

(j) “Restricted Territory” means:

(i) An area which combined includes (A) the Territory (including at the Headquarters and any Satellites), (B) any Gray Area within which Franchisee operated during the Term, and (C) the territories in which Franchisor, Franchisor’s affiliates, or Franchisor’s other franchisees operate any WINDOW WORLD businesses; or

(ii) Only in the event the foregoing is determined by a court of law to be too broad, an area which combined includes any area within a 15-mile radius of (A) the Headquarters or any Satellites (including at the Headquarters and any Satellites) and (B) the locations of any other WINDOW WORLD businesses owned by Franchisor, its affiliates, or franchisees; or

(iii) Only in the event the foregoing is determined by a court of law to be too broad, an area which combined includes (A) the Territory assigned to Franchisee (including at the Headquarters and any Satellites) and (B) any area within a 5-mile radius of the locations of any other WINDOW WORLD businesses owned by Franchisor, its affiliates, or franchisees; or

(iv) Only in the event the foregoing is determined by a court of law to be too broad, the Territory (including at the Headquarters and any Satellites), or

(v) Only in the event the foregoing is determined by a court of law to be too broad, an area which combined includes any area within a 5-mile radius of the Headquarters or any Satellite (including at the Headquarters and any Satellites); or

(vi) Only in the event the foregoing is determined by a court of law to be too broad, at the Headquarters or any Satellite.

Each of the foregoing is determined as of the first date of the Restrictive Period.

(k) “Satellite” shall have the meaning in the Franchise Agreement.

(l) “Territory” shall have the meaning defined in the Franchise Agreement.

**2. Non-Use and Non-Disclosure of Confidential Information.** Associate and Franchisor acknowledge that the Confidential Information is developed and utilized in connection with the operation of the Franchised Business is unique and the exclusive property of Franchisor or its affiliates. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to Franchisor or its affiliates. Associate further acknowledges that Franchisor or its affiliates have expended a great amount of effort and money in obtaining and developing the Confidential Information, that Franchisor or its affiliates have taken numerous precautions to guard the secrecy of the Confidential Information, and that it would be very costly for competitors to acquire or duplicate the Confidential Information. During the Term or any time thereafter, and without any geographic limitation, Associate shall not use for its own benefit or communicate or divulge to, or use for the benefit of any other person or entity, the Confidential Information. Associate shall

disclose to the owners, officers, employees and independent contractors to the Franchised Business only such Confidential Information as is necessary to perform Associate's role with the Franchised Business and then only while the Franchise Agreement is in effect.

**3. Associate's Covenant Not to Solicit.** Associate agrees that during the Term and during the Restricted Period, Associate will not alone or in conjunction with any other person or entity, on Associate's own behalf or on behalf of any other person or entity, do any or all of the following:

(a) Call on, solicit, request, induce or otherwise cause or attempt to cause any Customer or Prospective Customer to cancel or curtail its current or future business with Franchisor or any of Franchisor's affiliates or franchisees, or assist any other person or entity in any such activity.

(b) Call on, solicit, request, induce or otherwise cause or attempt to cause any current franchisee or licensee of Franchisor to cancel or curtail its current or future business with Franchisor or any of Franchisor's affiliates or franchisees or assist any other person or entity in any such activity.

(c) Call on, request, or contact any person or entity which had been a franchisee or licensee of Franchisor at any time during the Term for the purpose of soliciting business from, entering into a business relationship with or otherwise seeking engagement to sell or provide Competing Services or assist any other person or entity in any such activity.

(d) Call on or contact any Customer or Prospective Customer for the purpose of soliciting business or seeking engagement to sell or provide Competing Services or assist any other person or entity in any such activity.

(e) Call on or contact any Franchisor-used vendor through the use of, or with the assistance of, any Confidential Information for the purpose of soliciting, requesting or attempting to cause such vendor to cancel or curtail its current or future business with Franchisor or any of Franchisor's franchisees or affiliates or assist any other person or entity in any such activity.

(f) Call on or contact any Franchisor-used vendor through the use of, or with the assistance of, any Confidential Information for the purpose of soliciting, requesting or attempting to cause such vendor to provide any materials, products, or services to any person or business entity other than Franchisor, its franchisees and affiliates that are the same as or substantially similar to the materials, products, and/or services said vendor provides to Franchisor or its franchisees and affiliates.

**4. Injunction.** Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, Franchisor shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which Franchisor may be entitled. Associate agrees that Franchisor may obtain such injunctive relief, without posting a bond or bonds totaling Five Hundred Dollars (\$500) or more, but upon due notice, and Associate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon

a hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Associate.

**5. Reasonableness of Restrictions.** Associate acknowledges and agrees that the restrictions set forth in this Agreement are reasonable and necessary for the protection of the Confidential Information and that any violation of this Agreement would cause substantial and irreparable injury to Franchisor, and that Franchisor would not have entered into a business relationship with Associate or Franchisee or enter into this Agreement or the Franchise Agreement without receiving Associate's unrestricted promise to preserve the confidentiality of the Confidential Information. In any litigation concerning the entry of any requested injunction against Associate, Associate, for value, voluntarily waives such defenses as Associate might otherwise have under the law of the jurisdiction in which the matter is being litigated relating to any claimed "prior breach" on the part of Franchisor; it being specifically understood and agreed between the parties that no action or lack of action on the part of Franchisor will entitle or permit Associate to disclose any such Confidential Information in any circumstances.

**6. Tolling.** Associate acknowledges and agrees that the Restricted Period will be tolled and will not run during any time Associate is in violation of Associate's obligations under this Agreement and will be extended by the period of time during which Associate is in violation of Associate's obligations under this Agreement.

**7. Activities not a Violation.** Notwithstanding anything in this Agreement to the contrary, Associate's purchase of a publicly traded security of a corporation engaged in providing Competing Services shall not in itself be deemed violative of this Agreement so long as Associate does not own more than one percent (1%) of the securities of such corporation.

**8. Effect of Waiver.** The waiver by Franchisor of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

**9. Binding Effect.** This Agreement shall be binding upon and inure to the benefit of Associate and Franchisor and their respective heirs, executors, representatives, successors and assigns.

**10. Entire Agreement.** This instrument contains the entire agreement of Associate and Franchisor relating to the matters set forth herein. It may not be changed verbally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

**11. Governing Law; Jurisdiction and Venue.**

**(a)** If Associate is a Franchisee or guarantor under the Franchise Agreement, the governing law and dispute resolution of the Franchise Agreement shall apply to this Agreement.

**(b)** If Associate is not a Franchisee or guarantor, the following terms apply: The laws of North Carolina (without giving effect to its conflicts of law principles) govern all matters

arising under and relating to this Agreement, including torts and breach of contract. Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of North Carolina. Courts of competent jurisdiction for Wilkes County, North Carolina shall have exclusive jurisdiction over any and all such legal or equitable dispute(s) between Franchisor and Associate. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of North Carolina. Notwithstanding the foregoing, in the event that the laws of the state where Associate resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's laws shall control.

**12. Severability.** If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement that shall otherwise remain in full force and effect.

**13. Attorneys' Fees.** In any action at law or in equity arising out of, in connection with, or in relation to this Agreement, the prevailing party, as determined by the court in a final judgment or decree, shall be entitled to recover its reasonable costs and expenses (including attorneys' fees, expert witness fees, costs of investigation and proof of facts, court costs, costs and fees associated with appeals, and other litigation expenses) incurred in the prosecution or defense of any such action. If the prevailing party recovers judgment in any such action, the reasonable costs and expenses shall be included as part of the judgment.

**14. Miscellaneous.** Due to the importance of this Agreement to Franchisor, any claim Associate has against Franchisor is a separate matter and does not entitle Associate to violate, or justify any violation of, this Agreement. Associate agrees that all the words and phrases used in this Agreement will have the same meaning as used in the Franchise Agreement, or as otherwise defined herein.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written.

**FRANCHISOR:**

**ASSOCIATE:**

WINDOW WORLD, INC.

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT B-1  
**CURRENT FRANCHISEES**  
List compiled March 7, 2024

Franchise Owner	Address	Phone Number	Market Size
<b>ALABAMA</b>			
Jamie Hanks – Window World of Dothan Richard Howard	4332 Hartford Hwy Dothan, AL 36305	(334) 794-6369	Small
Melissa Edwards – Window World of Mike Edwards Central Alabama	135 West Valley Ave Homewood, AL 35209	(205) 916-2189	Large
Melissa Edwards – Window World of Huntsville Mike Edwards	25154 One Aviation Way SW Madison, AL 35756	(256) 895-3285	Medium
Henry Santelices – Window World River Region	1721 Main St. Millbrook, AL 36054	(334) 396-5105	Small
Melissa Edwards – Window World of Florence Mike Edwards (Shoals)	717 Michigan Ave Muscle Shoals, AL 35661	(256) 383-8894	Small
Henry Santelices – Window World of Mobile Angela Santelices	5400 A Willis Rd. Theodore, AL 36582	(251) 665-4646	Medium
<b>ARIZONA</b>			
Jeff Sudol – Window World of Northern Arizona	1750 E Villa Drive, Suite H. Cottonwood, AZ 86326	(928) 649-9111	Small
Jim Ballard – Window World of Phoenix Toni Ballard	2530 West Holly St. Phoenix, AZ 85009	(602) 454-0883	Metro
Christopher Lutz – Window World of Tucson	4912 E. 22 <sup>nd</sup> St. Tucson, AZ 85711	(520) 747-1560	Large
Ko Das – Window World of Yuma Charlotte Das	1045 E. 21 <sup>st</sup> Street, Building A Yuma, AZ 85365	(928) 782-2430	Small
<b>ARKANSAS</b>			
Jodie Cerrato – Window World of Central Zachary Black Arkansas (formerly Little Rock)	22095 South Interstate 30 Suite 800 Bryant, AR 72022	(501) 316-1500	Small
Randall Kisling – Window World of Northeast Arkansas	2805 Stadium Square Jonesboro, AR 72404	(870) 910-0189	Small
Adriane Myers – Window World of the Ozarks Anton & Linda Myers	5725 North Thompson St. Springdale, AR 72764	(479) 725-2450	Medium
<b>CALIFORNIA</b>			
Eugene Bryan – Window World of Orange Karyn Bryan County	1534 N. State College Blvd. Anaheim, CA 92806	(714) 808-8322	Metro



Eugene Bryan – Window World of Los Angeles Karyn Bryan	718 Arrow Grand Circle Covina, CA 91722	(310) 919-2352	Metro
Greg Deathridge – Window World of Fresno Melinda Hawks (Deceased)	5850 E. Shields Ave, Suite 101 Fresno, CA 93727	(559) 294-0991	Large
Ko Das – Window World of Riverside County Charlotte Das	11730 Sterling Avenue Riverside, CA 92503	(951) 354-2723	Large
Renate “Reni” Dillon – Window World of Greater Gregory Todd Dillon Sacramento	9777 Business Park Dr. Suite B Sacramento, CA 95827	(916) 461-8705	Metro
Eugene Bryan – Window World of San Diego Karyn Bryan	177 Vallecitos De Oro San Marcos, CA 92069	(760) 727-2744	Metro
Ko Das – Window World of Bakersfield Charlotte Das	3154 Landco Drive #E Bakersfield, CA 93308	(661) 489-5869	Medium
***** Amber Allmon – Window World of San Bernardino Eugene & Karyn Bryan	*****This unit is not yet open. Not yet established.	(757) 439-5465	Large
<b>COLORADO</b>			
Seth Cohen – Window World of Grand Junction Matthew D. Cohen & Brent Maldonado	2484 Commerce Blvd. Unit #3 Grand Junction, CO 81505	(970) 250-0851	Small
Christopher Lehmkuhl – Window World of Southern Colorado Kiersten Lehmkuhl; Dave Reed; The Dave Reed, Jr. Revocable Trust & Josh Reed	4460 Forrest Hill Rd. Colorado Springs, CO 80907	(719) 227-0189	Medium
Christina Rose – Window World of Denver	480 E. 76 <sup>th</sup> Avenue, #5E Denver, CO 80229	(303) 574-9594	Metro
<b>CONNECTICUT</b>			
Anton DuPlessis – Window World of Hartford Christine DuPlessis	409 New State Road Manchester, CT 06042	(860) 643-4568	Large
<b>DELAWARE</b>			
Mike Hayman – Window World of Delmarva Nicholas Hayman	36427 Sussex Highway Delmar, DE 19940	(302) 846-2224	Medium
John Goldbeck – Window World of Northern Jeanie Goldbeck Delaware	325 Water Street Wilmington, DE 19804	(302) 508-5858	Small
<b>FLORIDA</b>			
Brian Tillman – Window World of Pensacola	4105 Hwy 297A Cantonment, FL 32533	(850) 484-9998	Medium
Gerardo Arce – Window World of Ft. Myers Alicia Arce	5641 Division Drive, Unit 1 Fort Myers, FL 33905	(239) 245-7117	Large

Brian Wall – Window World of Northeast Florida	9450 Philips Hwy, Suite 7 Jacksonville, FL 32256	(904) 443-7001	Large
Brian Wall – Window World of Ocala	35 SW 57 <sup>th</sup> Avenue Ocala, FL 34474	(352) 690-2244	Medium
Brian Tillman – Window World of Central Florida	2290 West Airport Blvd Sanford, FL 32771	(407) 389-1400	Large
Brian Tillman – Window World of Daytona Beach	906 North US-1 Ormond Beach, FL 32174	(386) 763-1402	Medium
Corbett Proctor – Window World of Panama City George Grimsley; James Andrew Gay & Tony Benton	2820 Highway 390 Panama City, FL 32405	(850) 807-7919	Small
Brian Tillman – Window World of Melbourne	2298 Rockledge Blvd. Ste. 130 Rockledge, FL 32955	(321) 637-1533	Medium
Gerardo Arce – Window World of Sarasota Alicia Arce	6915 15 <sup>th</sup> St. E, #212 Sarasota, FL 34243	(941) 896-9712	Large
Jim Roland – Window World of Tampa	10741 Endeavour Way Seminole, FL 33777	(813) 386-7498	Metro
Kirk Cunningham – Window World of Pamela Cunningham & Wesley R. Cunningham Tallahassee	1413 Maclay Commerce Drive Tallahassee, FL 32312	(850) 562-8800	Small
Brian Tillman – Window World of West Palm Beach	3927 Westgate Avenue West Palm Beach FL 33409	(561) 684-2040	Large
Mark Collins – Window World of Lakeland Sarah Richardson	101 Industrial Blvd. West Winter Haven, FL 33880	(863) 665-7164	Medium
<b>GEORGIA</b>			
Stewart Huffmaster – Window World of Athens Vickie Huffmaster	1875 Commerce Road Athens, GA 30607	(706) 543-7069	Small
Andrew Saville – Window World of Carrollton Michael Harkins	107 Kingsbridge Dr. Carrollton, GA 30117	(770) 809-6580	Small
Andrew Saville – Window World of Michael Harkins Chattahoochee Valley	8238 North Crossing Court Fortson, GA 31808	(706) 507-0800	Small
Katherine “Katie” Ekey – Window World of Middle Georgia	4557 Knight Rd. Macon, GA 31220	(478) 475-9585	Medium
Melissa Edwards – Window World of North Mike Edwards Atlanta	2871 McCollum Pkwy Kennesaw, GA 30144	(770) 303-0757	Metro
Mark Burch – Window World of the CSRA	4001 Enterprise Court	(706) 210-2525	Medium

Mary Burch	Martinez, GA 30907		
Christopher Sasser – Window World of Savannah Gil Sasser & Greg Sasser	66 Columbia Dr. Pooler, GA 31322	(912) 355-5055	Medium
Jamie Hanks – Window World of South Georgia Richard Howard	1404 Gornto Rd. Valdosta, GA 31602	(229) 474-4500	Small
<b>HAWAII</b>			
Brent Maxfield – Window World of Oahu Ryan Dillon	905 Kalanianaʻole Hwy #5006 Kailua, HA 96734	(808) 376-7479	Medium
<b>IDAHO</b>			
William “Bill” Judy – Window World of Boise	5230 Chinden Blvd. Garden City, ID 83714	(208) 672-1287	Medium
<b>ILLINOIS</b>			
Paul Palumbo – Window World of Bloomington Johnette Palumbo & Garreck Sakinis	2501 General Electric Rd. Bloomington, IL 61704	(309) 827-5237	Small
Scott Williamson – Window World of Joliet Brian Hopkins	2363 Copper Ct. Crest Hill, IL 60403	(815) 729-3100	Large
Joel Slater – Window World of Western Chicago Jacalyn “Jackie” Rosborough	4646 Western Avenue Lisle, IL 60532	(331) 903-6873	Large
Jim Lomax – Window World of Peoria Jon Gillette	8224 N University Street Peoria, IL 61615	(309) 698-3910	Small
Scott Williamson – Window World of Rockford	6010 Forest Hills Road Loves Park, IL 61111	(815) 395-1333	Large
Jim Lomax – Window World of Springfield, IL Jon Gillette	6200 S. 2 <sup>nd</sup> Street Unit B Springfield, IL 62711	(217) 544-0400	Medium
<b>INDIANA</b>			
Ken Shake – Window World of South Central Indiana Sally Shake; Lillian Fawbush & Tom Fawbush	1636 State Street Suite G Columbus, IN 47201	(812) 372-0008	Small
Joe Bush – Window World of Evansville Melissa Bush & Brandon Arnold	4001 Vogel Rd. Evansville, IN 47715	(812) 476-4600	Medium
Michael Troutt – Window World of Fort Wayne Katlynd Wilson & Justin Wilson	2224 Contractors Way Ft. Wayne, IN 46818	(260) 483-3117	Medium
Randy Medow – Window World of Michiana Laura Medow & Pamela Papczynski	50770 Princess Way Granger, IN 46530	(574) 277-3280	Medium
Ken Shake – Window World of Indianapolis Sally Shake & Jeffrey Pittenger	1229 Country Club Rd. Indianapolis, IN 46234	(317) 209-0008	Large
Ken Shake – Window World of Lafayette	523 S. Earl Ave, Suite 3	(765) 588-9207	Small

Sally Shake & Stephanie Blake Pittenger Spellman	Lafayette, IN 47904		
Ken Shake – Window World of Muncie Sally Shake & Jeffrey Pittenger	3508 N. Wheeling Ave Muncie, IN 47304	(765) 281-0008	Small
Ken Shake – Window World of Terre Haute Sally Shake & Brandon Pittenger	2225 S. 3 <sup>rd</sup> St. Terre Haute, IN 47802	(812) 872-2222	Small
Bill Adkins – Window World of Northwest Niki Adkins Indiana	1558 W. Lincolnway Valparaiso, IN 46385	(219) 477-2500	Medium
<b>IOWA</b>			
Lorri Seastrand – Window World of Davenport Rudy Seastrand & Christy Pfeifle	2406 West Kimberly Road Davenport, IA 52806	(563) 323-7313	Small
Heather Koenig – Window World of Des Moines Paul Koenig	5201 NE 14 <sup>th</sup> St. Ste. A Des Moines, IA 50313	(515) 270-9264	Medium
Heather Koenig – Window World of Cedar Paul Koenig Rapids	1484 Hawkeye Dr. Hiawatha, IA 52233	(319) 393-7313	Medium
Katherine “Katy” Showalter – Window World of Mason City	1300 ½ S. Taft Ave. Mason City, IA 50401	(641) 424-1313	Small
<b>KANSAS</b>			
Bryce Thompson – Window World of Wichita Danny Thompson	1927 S. West St. Suite B Wichita, KS 67213	(316) 942-6400	Medium
<b>KENTUCKY</b>			
Phil Brooks – Window World of Bowling Green	324 Dishman Lane Bowling Green, KY 42101	(270) 780-9600	Small
Jason Hart – Window World of London, KY Courtney Hart	142 American Greeting Rd Corbin, KY 40701	(606) 258-1774	Small
John Oslica – Window World of the Queen City	1840 Airport Exchange Blvd. Ste. 130 Erlanger, KY 41018	(859) 594-4189	Large
Jason Hart – Window World of Ohio Valley, KY Courtney Hart	1709 North State Hwy 1 Grayson, KY 41143	(606) 473-0222	Small
Tom Fawbush – Window World of Kentuckiana Lillian Fawbush; Thomas H. Fawbush Jr. & Sarah Waskey	2200 Brennen Business Ct Louisville, KY 40299	(502) 671-7777	Large
Tommy Jones – Window World of Lexington	212 South View Dr. Nicholasville, KY 40356	(859) 887-9966	Medium
Mike Troutt – Window World of Paducah	4345 Cairo Rd.	(270) 443-0031	Small

Lauren Burkeen	Paducah, KY 42001		
Jason Hart – Window World of East KY Courtney Hart	3535 KY Rt 321 Prestonburg, KY 41653	(606) 886-3144	Small
Tom Fawbush – Window World of Elizabethtown Lillian Fawbush; Thomas H. Fawbush Jr & Sarah Waskey	3019 Ring Road, Suite 110 Elizabethtown, KY 42701	(270) 861-8054	Small
<b>LOUISIANA</b>			
Luke Difulco, III – Window World of Central Louisiana Luke Difulco, Jr.	3200 McKeithen Drive Alexandria, LA 71303	(318) 445-3188	Small
Jim Roland – Window World of Baton Rouge	8405 Airline Highway Baton Rouge, LA 70815	(225) 706-2100	Medium
Dale Dunn – Window World of Monroe Gloria Dunn; David Marmol & Wendy Sanchez	2103 Tower Dr. Monroe, LA 71201	(318) 969-1243	Small
Dale Dunn – Window World of Northwest LA Gloria Dunn	5903 East Texas Street Bossier City, LA 71111	(318) 742-9011	Small
Jim Roland – Window World of Lafayette, LA	3148 Ambassador Caffery Pkwy, Suite 4 Lafayette, LA 70506	(337) 234-6343	Medium
Jim Roland – Window World of New Orleans	8814 Veterans Blvd., Suite 17 Metairie, LA 70003	(504) 466-2552	Large
<b>MAINE</b>			
Harmel Sabourin – Window World of Southern Maine June Benoit	2 Karen Drive Unit #3 Westbrook, ME 04092	(207) 747-5117	Large
<b>MARYLAND</b>			
Greg Deathridge – Window World of Baltimore	1662 Sulphur Spring Rd. Baltimore, MD 21227	(410) 242-4320	Metro
John Goldbeck – Window World of Harford Jeanie Goldbeck	425 North Main Street Bel Air, MD 21014	(410) 638-1111	Small
Greg Deathridge – Window World of Frederick Melinda Hawks (Deceased) County	8415 Progress Dr. Suites A-C Frederick, MD 21701	(301) 663-0699	Medium
<b>MASSACHUSETTS</b>			
Timothy “Tim” Drost – Window World of Western Massachusetts Lanea Bushey; Nicholas Drost & Grace Drost	20 Daniel Shays Hwy Belchertown, MA 01007	(413) 485-7335	Medium

Les Levy – Window World of Boston Eric Peabody	10 Wall Street Burlington, MA 01803	(781) 932-4805	Metro
<b>MICHIGAN</b>			
Pat Moran – Window World Detroit Fred Moran & Halim Sheena	2873 Haggerty Rd. Commerce Twp, MI 48390	(248) 940-1533	Metro
Brandon VanHouten – Window World of West MI Annie VanHouten	5385 Patterson Ave SE, Suite B Kentwood, MI 49512	(616) 988-9996	Large
Brandon VanHouten – Window World of Annie VanHouten Kalamazoo	10735 N 32 <sup>nd</sup> St. Richland, MI 49083	(269) 443-1561	Medium
Douglas “Doug” Denboer – Window World Mid-  Michigan Matthew “Matt” Denboer & Nathan “Nate” Denboer	3337 Remy Dr. Lansing, MI 48906	(517) 371-0189	Medium
<b>MINNESOTA</b>			
Katherine “Katy” Showalter – Window World of  Southern Minnesota	1030 South Victory Drive Mankato, MN 56001	(507) 388-8078	Small
Terry Derosier – Window World of Twin Cities	2220 Castle Avenue E North St. Paul, MN 55109	(651) 770-5570	Metro
<b>MISSISSIPPI</b>			
Henry Santelices – Window World of Central Angela Santelices Mississippi	199 Interstate Dr. Suite N Richland, MS 39218	(601) 957-5858	Medium
Jay Collins – Window World of Tupelo/Columbus	4979 Cliff Gookin Blvd Tupelo, MS 38801	(662) 842-5201	Medium
Henry Santelices – Window World of Southern Angela Santelices Mississippi	14231 Seaway Rd. Ste E3 Gulfport, MS 39503	(228) 575-9700	Medium
<b>MISSOURI</b>			
Jim Lomax – Window World of St. Louis Jon Gillette	3600 Rider Trail South Earth City, MO 63045	(314) 993-1800	Metro
Jim Harper – Window World of Cape Girardeau Mike Harper & Ernest “Tony” Harper	762 Enterprise St. Cape Girardeau, MO 63703	(573) 803-1500	Small
Jim Lomax – Window World of Columbia, MO Jon Gillette	2313 D Industrial Drive Columbia, MO 65202	(573) 814-2600	Small
Jim Lomax – Window World of Kansas City Jon Gillette	16501 E Truman Rd.	(816) 799-0820	Metro

	Independence, MO 64050		
Bryce Thompson – Window World of Springfield Danny Thompson	2119 West Vista Springfield, MO 65807	(417) 877-0733	Medium
<b>NEBRASKA</b>			
Brad Stolz – Window World of Grand Island	2604 W. 2 <sup>nd</sup> St. Grand Island, NE 68803	(308) 384-7393	Small
Thomas “Tom” Uhler – Window World of Lincoln Melvin “Mel” Stuart & John Heffernan	4400 N 48 <sup>th</sup> St. Suite 7 Lincoln, NE 68504	(402) 464-7313	Small
Karla Frey – Window World of Northeast NE	131 W Norfolk Ave Norfolk, NE 68701	(402) 379-2042	Small
Karla Frey – Window World of Siouxland Angela Kruse & Brent Frey	1001 Dakota Ave South Sioux City, NE 68776	(712) 276-5588	Small
Bryce Thompson – Window World of Omaha Danny Thompson	8804 L St. Omaha, NE 68127	(402) 537-7313	Large
<b>NEVADA</b>			
Blake Richardson – Window World of Southern Nevada Jacob Drew Richardson & Joseph Grant Richardson	1335 E. Sunset Road, Suite C Las Vegas, NV 89119	(702) 622-9399	Large
Ko Das – Window World of Reno Charlotte Das	4690 Longley Lane, Suites 8-11 Reno, NV 89502	(775) 825-7755	Medium
<b>NEW HAMPSHIRE</b>			
Harmel Sabourin – Window World of New June Benoit Hampshire	735 E. Industrial Park Dr. Unit A Manchester, NH 03109	(603) 935-9878	Large
<b>NEW JERSEY</b>			
Larry Goodwin – Window World Garden State West	47 Maple Ave Flemington, NJ 08822	(908) 237-3329	Medium
Perparim “Rimo” Xhambazi – Window World of Jersey Coast Florian “Tony” Xhambazi	27 Northfield Ave Edison, NJ 08837	(732) 417-5700	Large
Salih Pira – Window World of Atlantic City Blerim Pira & Burim Hasani	6726 E Black Horse Pike	(609) 576-4212	Small

	Egg Harbor Township, NJ 08234		
Perparim “Rimo” Xhambazi – Window World of  North Jersey Florian “Tony” Xhambazi	515 US 46 W Fairfield, NJ 07004	(908) 202-0487	Metro
<b>NEW MEXICO</b>			
Kevin Tubbs – Window World of Las Cruces	250 N. Telshor Blvd Las Cruces, NM 88011	(575) 532-9390	Small
Ronald Via – Window World of Albuquerque Karen Via; Daniel Graham & Vinette Graham	8359 Corona Loop NE Albuquerque, NM 87113	(505) 884-4889	Large
<b>NEW YORK</b>			
Dave Reed – Window World of the Capital District The David D. Reed Jr. Revocable Trust & Josh Reed	1240 Central Ave Albany, NY 12205	(518) 489-0889	Medium
Manish Damani – Window World of Buffalo	4444 Broadway Depew, NY 14043	(716) 656-0100	Large
Manish Damani – Window World of Jamestown	2640 S Work St. Ste 101 Falconer, NY 14733	(716) 763-0025	Small
Les Levy – Window World of Long Island Aaron Levy & Matthew Levy	33 Hempstead Turnpike Farmingdale, NY 11735	(516) 377-3500	Metro
Mike Hoffmeier – Window World of Binghamton	753 Harry L Drive Johnson City, NY 13790	(607) 797-3234	Medium
Manish Damani – Window World of Rochester	110 Halstead Street, Door #2 Rochester, NY 14610	(585) 288-8888	Large
Manish Damani – Window World of Syracuse	954 Spencer Street Syracuse, NY 13204	(315) 295-8888	Medium
Les Levy – Window World Westchester Richard “Rich” Allen	134 Marbledale Road Tuckahoe, NY 10707	(914) 593-7180	Metro
Kimberly Mossey – Window World of the Hudson Valley	1315 Route 9 Suite 201 Wappingers Falls, NY 12590	(845) 595-8200	Large
<b>NORTH CAROLINA</b>			
Josh Watson – Window World of Raleigh Victoria Watson; Mike Troutt; Randall Brian Wilder; John Austin Bell & Bridgett Mathis	1020 Investment Blvd Apex, NC 27502	(919) 212-6598	Large
Darren Kennelly – Window World of Asheville Michelle Kennelly & George Triplett	35 Loop Road Arden, NC 28704	(828) 684-6334	Medium
Tim Waddell – World of Windows of the	9100 A Perimeter Woods	(704) 921-9898	Metro



Carolinas Susan Waddell; Ashley Fernside & Trevor Fernside	Drive Charlotte, NC 28216		
Tim Waddell – Window World Catawba Valley Susan Waddell; Ashley Fernside & Trevor Fernside	950 Tate Blvd. Suite 105 Hickory, NC 28602	(828) 324-0307	Small
Matt Manzella – Window World of Rocky Mount Shannon Manzella	1309 S Wesleyan Blvd Rocky Mount, NC 27803	(252) 207-0600	Small
Josh Watson – Window World of Fayetteville Victoria Watson; Mike Troutt; Randall Brian Wilder; John Austin Bell & Bridgett Mathis	515 N Bragg Boulevard Spring Lake, NC 28390	(910) 436-2966	Medium
Darren Kennelly – Window World of the Blue Ridge Shannon Church & Jamie Church	1802 River Street Wilkesboro, NC 28697	(336) 838-9393	Small
Joseph Pollard – Window World of the Port City	6500 Windmill Way, Suite B Wilmington, NC 28405	(910) 791-1919	Medium
Darren Kennelly – Window World of the Triad Michelle Kennelly	3002 Trenwest Drive Winston-Salem, NC 27103	(336) 765-0765	Large
Martin Parker – Window World of Eastern Carolina Brenda Parker	764 W Firetower Rd., Suites 101-107 Winterville, NC 28590	(252) 689-8889	Medium
<b>NORTH DAKOTA</b>			
Carter Broer – Window World of Fargo Melissa Broer; Bronson Broer & Taryn Broer	4331 12 <sup>th</sup> Ave N. Fargo, ND 58102	(701) 526-4545	Small
<b>OHIO</b>			
Pat Moran – Window World of Akron-Canton Fred Moran	2424 Gilchrist Rd. Akron, OH 44305	(330) 733-7940	Large
Pat Moran – Window World of Youngstown Fred Moran	8070 Southern Blvd. Boardman, OH 44512	(330) 726-0200	Medium
Pat Moran – Window World of Northern Ohio Angie Moran; Fred Moran; Lucy Moran (Deceased) & Amanda “Mandi” Moran Fluck	5350 Transportation Blvd. Suite 7 Garfield Heights, OH 44125	(216) 447-0448	Metro
Jeffrey Shumate – Window World of Greater Columbus Olivia Slonaker	3670 Parkway Lane, Suite K Hilliard, OH 43026	(614) 527-8000	Metro

Jeffrey Shumate – Window World of Dayton	3050 Springboro Rd. West Moraine, OH 45439	(937) 299-2222	Large
Matt Cannon – Window World of the Heartland Miriam Cannon	127 North Kohler Road Orrville, OH 44667	(330) 684-1444	Medium
Pat Moran – Window World of Toledo Fred Moran	562 South Reynolds Rd. Unit 1 Toledo, OH 43615	(419) 887-8800	Medium
<b>OKLAHOMA</b>			
Kevin Baldwin – Window World of Oklahoma Robbi Baldwin City	3408 South Meridian Ave. Oklahoma City, OK 73119	(405) 702-6900	Large
Benjamin Beeler – Window World of Tulsa Benjamin Beeler Trustee of the Beeler Revocable Trust; Veronica Beeler; Veronica Beeler Trustee Of the Beeler Revocable Trust; Michael Shawn Goodman; Michael Shawn Goodman Trustee of The Michael Shawn Goodman Living Trust & Darin Jackson	6500 E. 44 <sup>th</sup> St. Tulsa, OK 74145	(918) 994-6400	Medium
<b>PENNSYLVANIA</b>			
Chad Shirey – Window World of K.I.B.(Butler) Shanelle Shirey; Jonathan Kurtonick & Matt George	1617 North Main Ext. Butler, PA 16001	(724) 256-5660	Small
Brandon Moyer – Window World of Lehigh Valley Melissa Moyer	3220 Mauch Chunk Road Coplay, PA 18037	(610) 432-6878	Large
Brian D. Shirey – Window World of Dubois, PA Chad Shirey & Matt George	9 Industrial Drive Dubois, PA 15801	(814) 503-8425	Small
Matt George – Window World of Altoona Christian Harr & Paul Myers	114 Vision Drive Duncansville, PA 16635	(814) 693-0133	Small
Mike Hoffmeier – Window World of Wyoming Tait D. M. Hoffmeier Valley	308 Lincoln Street Duryea, PA 18642	(570) 471-3262	Medium
Rich Ford – Window World of Lancaster- Angell Ford Lebonaon	219 N Market Street Elizabethtown, PA 17022	(717) 394-9401	Medium

Larry Temple – Window World of Northwestern Pennsylvania	642 West 26 <sup>th</sup> Street Erie, PA 16508	(814) 838-2770	Small
Jacob Echevarria – Window World of James Layden, Jr. Philadelphia	253 Horsham Road Horsham, PA 19044	(215) 395-1608	Metro
Chad Shirey – Window World of Mifflinburg Stephen George	170 East Walnut Street Mifflinburg, PA 17844	(570) 832-4622	Small
Jason Bottiger – Window World of GSV Cody Bottiger; Chad Shirey & Matt George	5297 Lycoming Mall Dr Montoursville, PA 17754	(570) 584-0280	Small
Pat Moran – Window World of Pittsburgh Fred Moran	4700 Campbells Run Road Pittsburgh, PA 15205	(412) 787-6000	Metro
Matthew Livingood – Window World of South Central PA and Northwest MD Matt George & Chad Shirey	137 Alisa St. Somerset, PA 15501	(814) 444-0189	Small
Rich Ford – Window World of Central PA Angell Ford	4370 West Market Street York, PA 17408	(717) 792-2322	Large
<b>RHODE ISLAND</b>			
John Schumer – Window World of Rhode Island Karen Schumer & Tiffany Schumer	380 Jefferson Blvd Warwick, RI 02886	(401) 921-6693	Large
<b>SOUTH CAROLINA</b>			
Gary Williams – Window World of Upstate Teresa Williams & Anna Williams	2161 Ridge Rd Unit A Greenville, SC 29607	(864) 236-0411	Large
Gary Williams – Window World of the Lowcountry Teresa Williams; Brad Ala & Manda Ala	273 Treeland Drive Ladson, SC 29456	(843) 579-0706	Medium
Terry Sanford – Window World of the Midlands Timi McCorvey	140 Centrum Dr Irmo, SC 29063	(803) 750-0066	Medium
Scott Dehollander – Window World of Myrtle Ronda Dehollander Beach	4655-A Hwy 17 Bypass S Myrtle Beach, SC 29577	(843) 445-9921	Small
<b>SOUTH DAKOTA</b>			
Thomas “Tom” Uhlir – Window World of Sioux Falls Melvin “Mel” Stuart & Jeff Thompson	1508 West 3 <sup>rd</sup> Street Sioux Falls, SD 57104	(605) 373-1100	Small

<b>TENNESSEE</b>			
Eric Anderson – Window World of Chattanooga Kim Anderson	3769 Powers Court Chattanooga, TN 37416	(423) 296-0866	Medium
Michael Hoover – Window World of Clarksville	313 N. Riverside Dr. Clarksville, TN 37040	(931) 802-6969	Small
Jim Harper – Window World of Jackson	63 Riverport Drive Jackson, TN 38301	(731) 664-9090	Small
Bobby Pollard – Window World of Tri-Cities Sonya Pollard	951 Blountville Hwy Bristol, TN 37620	(423) 212-2573	Medium
Bobby Pollard – Window World of Knoxville Kodi Dane Kirkendall & Jason David Pugh	1917 Old Callahan Road Knoxville, TN 37912	(865) 938-0314	Large
Kelly Griffin – Window World of Memphis	4899 Summer Ave. Ste 104 Memphis, TN 38122	(901) 684-6670	Large
Josh Watson – Window World of Murfreesboro George “Dee” Dortch; RuShell “Shelly” Dortch & Bridgett Mathis	313 Southpointe Court Murfreesboro, TN 37130	(615) 848-7400	Medium
Daryl Price – Window World of Middle Tennessee Jennifer Price	1940 Elm Hill Pike Nashville, TN 37210	(615) 868-7400	Large
<b>TEXAS</b>			
Seth Cohen – Window World of Austin Matthew “Matt” D. Cohen	5812 Trade Center Drive Suite 300 Austin, TX 78744	(512) 383-1222	Large
Martin Bomba – Window World of Coastal Bend Deborah Bomba	5511 Kostoryz Road Corpus Christi, TX 78415	(361) 991-4189	Small
Kevin Tubbs – Window World of Southwest Texas	4800 North Mesa St. El Paso, TX 79912	(915) 533-8227	Medium
Jim Roland – Window World of Fort Worth	2520 N. Great SW Pkway, Suite 100 Grand Prairie, TX 75050	(972) 623-9998	Metro
Jim Roland – Window World of Houston	10540 Bissonnet Street Unit 190 Houston, TX 77099	(281) 582-6527	Metro
Rodney Martin – Window World of Lubbock Timothy Ehrman	5004 Frankford Avenue, Suite 600 Lubbock, TX 79424	(806) 799-1545	Small

Gladys Flores – Window World of Midland/ Odessa	4309 South County Road 1300 Odessa, TX 79765	(432) 563-0501	Small
Jim Roland – Window World of Dallas	600 N Coit Rd. Richardson, TX 75080	(972) 623-9998	Metro
Martin Bomba – Window World of San Antonio Deborah Bomba	5238 Evers Road San Antonio, TX 78238	(210) 767-0995	Large
Jack Civa – Window World of Waco Laura Civa	921 Lake Air Drive, Suite A Waco, TX 76710	(254) 751-0008	Medium
Todd Lynd – Window World of Northeast Texas Gina Lynd	9750 FM 346 East Whitehouse, TX 75791	(903) 561-1110	Medium
Dale Dunn – Window World of Texarkana Gloria “Sol” Dunn	6223 Mall Dr. Suite A Nash, TX 75569	(903) 306-0614	Small
Gerardo Arce – Window World Rio Grande Valley Gabriel Cortez	1200 E Hackberry, Suite F McAllen, TX 78501	(956) 468-4200	Large
<b>UTAH</b>			
Doug Llewellyn – Window World Utah Kathy Llewellyn	4995 S. Commerce Drive Murray, UT 84107	(801) 281-8111	Large
<b>VERMONT</b>			
Deborah J. Schortmann – Window World of the Green Mountains Zachary Schortmann	82 Ethan Allen Drive, Unit 5 South Burlington, VT 05403	(802) 846-7622	Small
<b>VIRGINIA</b>			
Greg Deathridge – Window World of Washington D.C. Melinda Hawks (Deceased)	4116 Walney Road, Suite J Chantilly, VA 20151	(703) 378-7999	Metro
Katie Duvall – Window World of Fredericksburg Raymond Duvall IV	10908 Courthouse Road, Suite 100 Fredericksburg, VA 22408	(540) 834-4244	Small
Matt Conley – Window World of Richmond	9111 Midlothian Turnpike Suite 400 Richmond, VA 23235	(804) 674-4490	Large
James L. Eller – Window World of Roanoke Jamie W. Eller	6490 Commonwealth Dr. Roanoke, VA 24018	(540) 375-5045	Medium

Dave Reed – Window World of Tidewater The David D. Reed Jr. Revocable Trust; Taunia Reed; The Taunia Reed Revocable Trust; Josh Reed & Tara Reed	2970 Virginia Beach Blvd Virginia Beach, VA 23452	(757) 518-2998	Large
Greg Deathridge – Window World of Central Valley (Augusta County) Melinda Hawks (Deceased)	801 D West Broad Street Waynesboro, VA 22980	(540) 946-0770	Small
Greg Deathridge – Window World of Winchester Melinda Hawks (Deceased)	210 Prosperity Drive, Suite C and D Winchester, VA 22602	(540) 722-4014	Small
David Cornett – Window World of Southwest Virginia Sherry Cornett; Adam Cornett & Aaron Cornett	565 East Main Street Wytheville, VA 24382	(276) 228-3195	Small
<b>WASHINGTON</b>			
Aaron Anckner – Window World of North Puget Sound	21718 66 <sup>th</sup> Ave W, Ste 200 Mountlake Terrace, WA 98043	(425) 265-0101	Large
<b>WEST VIRGINIA</b>			
Leeanna Burnette – Window World of Beckley	624 Stanaford Road Beckley, WV 25801	(304) 252-7494	Small
Mary Morris – Window World of Fairmont Caitlyn Hughes	36 Sweeps Run Road Fairmont, WV 26554	(304) 366-2516	Small
Mary Morris – Window World of Kanawha Caitlyn Hughes	2854 Winfield Road St. Albans, WV 25177	(304) 755-3224	Medium
Mary Morris – Window World of Parkersburg Caitlyn Hughes	2399 Rosemar Rd. Vienna, WV 26105	(877) 295-4405	Small
Pat Moran – Window World of the Upper Ohio Valley Fred Moran & Patrick Moran	730 Harmon Creek Road Weirton, WV 26062	(740) 346-2200	Small
<b>WISCONSIN</b>			
DeAnn Heinz – Window World of Chippewa Tim Heinz Valley	5704 Arndt Lane Eau Claire, WI 54701	(715) 552-1890	Small
Michael Kuhl – Window World of Fond du Lac Marvin E. Gahagan, III	235 Morris St Fond du Lac, WI 54935	(920) 923-4189	Medium
Frances Gantner – Window World of Southeastern Garry Gantner WI	W188 N10707 Maple Rd. Germantown, WI 53022	(262) 703-9500	Large

Arthur Lane – Window World of Green Bay	969 Goddard Way Green Bay, WI 54311	(920) 321-0421	Medium
Preston D. Sandblom – Window World of Lisa Sandblom Madison	202 Regas Rd. Madison, WI 53714	(608) 268-9040	Medium
Eldon Jared Heinz – Window World of LaCrosse	1001 2 <sup>nd</sup> Ave SW Onalaska, WI 54603	(608) 519-3230	Small
Kathy Hahn – Window World of Wausau	399 River Drive Wausau, WI 54403	(715) 849-8500	Small

**EXHIBIT B-2**  
**FORMER FRANCHISEES**

These franchisees either had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the most recently completed fiscal year or have not communicated with us within 10 weeks prior to the FDD issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

The following franchisees closed their franchises during 2023:

<b>Franchisee's Name</b>	<b>Franchisee's Current Business or Last Known Home Address</b>	<b>Franchisee's Current Business or Last Known Home Telephone Number</b>
Jim Moquin and Tamela Moquin & Jon Moquin	Traverse City, MI & Kalamazoo, MI	Jim: 231-631-0602 Tamela: Unknown Jon: 231-642-0125

The following franchisees transferred their franchises during 2023:

<b>Franchisee's Name</b>	<b>Franchisee's Current Business or Last Known Home Address</b>	<b>Franchisee's Current Business or Last Known Home Telephone Number</b>	<b>Transfer Date</b>
Mike Davis	Fond Du Lac, WI	414-406-2357	January 2023
Mike Davis	Fond Du Lac, WI	414-406-2357	January 2023
Kirk Cunningham Pamela Cunningham	Tallahassee, FL	Kirk: 850-251-3876 Pam: 850-528-8727	March 2023
Betty Morrell David Morrell (Deceased)	Odessa, TX	Betty: 432-250-0220 David: 432-559-8099	June 2023
Mark Kingsbury	Cantonsville, MD	443-829-0969	August 2023
Mark Shepherd Claudia Shepherd	Knoxville, TN	Mark: 865-405-8163 Claudia: 865-385-4699	November 2023

We have communicated with all of our franchisees within the ten (10) weeks prior to the date of this disclosure document.



**EXHIBIT C**  
**FINANCIAL STATEMENTS**

**THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.**

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01/07/25  
Accrual Basis

**WINDOW WORLD INC**  
**Balance Sheet**  
As of November 30, 2024  
Nov 30, 24

**ASSETS**

**Current Assets**

**Checking/Savings**

1006 · Petty Cash	200.00
1026 · Pinnacle Checking	3,819,842.47
1030 · Vanguard MM Account	55,514,256.91
<b>Total Checking/Savings</b>	<b>59,334,299.38</b>

**Accounts Receivable**

1100 · Accounts Receivable	2,744,485.55
1101 · Marketing Fund Receivable	1,375,000.00
1102 · Reserve for Doubtful Accounts	-10,000.00
<b>Total Accounts Receivable</b>	<b>4,109,485.55</b>

**Other Current Assets**

1150 · Prepaid Expenses	
1150-1 · Prepaid Insurance	145,618.85
1150-2 · Prepaid Marketing	211,007.53
1150 · Prepaid Expenses - Other	743,655.65
<b>Total 1150 · Prepaid Expenses</b>	<b>1,100,282.03</b>
<b>Total Other Current Assets</b>	<b>1,100,282.03</b>

**Total Current Assets** 64,544,066.96

**Fixed Assets**

**1202 · Leasehold Improvements All**

1218 · Hanger Leasehold Improvement	206,972.52
1219 · Leasehold Improvements	4,459,205.18
<b>Total 1202 · Leasehold Improvements All</b>	<b>4,666,177.70</b>

**1222 · Furniture & Equipment**

1200 · Office Equipment	52,409.94
1210 · Electronic Equipment	9,498.94
1215 · Office Furniture	193,885.74
1217 · Furniture & Fixtures	393,416.66
1220 · Computer Equipment	385,833.41
1222 · Furniture & Equipment - Other	2,811.48
<b>Total 1222 · Furniture &amp; Equipment</b>	<b>1,037,856.17</b>

**1236 · Vehicles**

1230 · Company Cars	1,191,684.57
1231 · Non Auto Vehicle	110,920.59
1232 · Race Car/ Show Car	587,597.47
<b>Total 1236 · Vehicles</b>	<b>1,890,202.63</b>

1241 · Citation Excel Airplane 8,697,845.54

1245 · 360 Software Development 509,944.13

1300 · Accumulated Depreciation -12,998,876.00

**Total Fixed Assets** 3,805,150.17

**Other Assets**

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Accrual Basis

**WINDOW WORLD INC**  
**Balance Sheet**  
As of November 30, 2024  
Nov 30, 24

1400 · Due From/To Related Parties	
1401 · Due From/To WW Holdings, Inc.	-922,589.04
1402 · Due From/To WW Int'l, LLC	492,442.50
1403 · Due From/To Holdings Invest. I	882,074.87
1404 · Due From/To WW of Boston, LLC	-63,909.83
1406 · Due From/To Perfect Invest., LLC	175.00
1408 · Due From/To WW Mgmt Serv, LLC	446,444.37
1409 · Due From/To WW Technologies LLC	84,985.19
1400 · Due From/To Related Parties - Other	-54,358.53
Total 1400 · Due From/To Related Parties	865,264.53
1530 · Loans to Prior Shareholders	
1531 · Leon Whitworth Loan	1,487,751.74
Total 1530 · Loans to Prior Shareholders	1,487,751.74
1800 · Right-of-Use Assets	559,451.51
Total Other Assets	2,912,467.78
<b>TOTAL ASSETS</b>	<b>71,261,684.91</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	428,922.05
Total Accounts Payable	428,922.05
Other Current Liabilities	
2100 · Payroll Liabilities	4,870.51
2104 · Franchise Fee Liab. - Current	102,012.00
2105 · WW Care's Fines Escrow	6,000.00
2360 · Operating Lease Liab-Current	373,903.94
Total Other Current Liabilities	486,786.45
Total Current Liabilities	915,708.50
Long Term Liabilities	
2309 · Franchise Fee Liab - Long Term	624,428.01
2351 · Deferred Retention Income	2,083,333.37
2365 · Operating Lease Liab-Long Term	185,547.57
Total Long Term Liabilities	2,893,308.95
Total Liabilities	3,809,017.45
Equity	
3055 · Tammy Whitworth Draws	-17,279,546.05
3800 · Common Stock	100.00
3820 · Paid In Capital	10,000.00
3900 · Retained Earnings	67,390,388.39
Net Income	17,331,725.12
Total Equity	67,452,667.46
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>71,261,684.91</b>

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Accrual Basis

**WINDOW WORLD INC**  
**Profit & Loss**  
January through November 2024

	Jan - Nov 24
Ordinary Income/Expense	
Income	
4000 · Sales	
4200 · Franchise Income	
4201 · Caulk	47,039.80
4202 · Coil/Siding Royalty	
42021 · AMI Siding	163,039.30
42022 · Mastic Siding	257,531.31
Total 4202 · Coil/Siding Royalty	420,570.61
4203 · Branding Royalty	890,669.24
4204 · Entry Doors	
42042 · Therma-Tru Direct Entry	921,988.03
42044 · WinCore Doors	1,291,236.56
42045 · Waudena Doors	134,982.74
Total 4204 · Entry Doors	2,348,207.33
4205 · Garage Doors	
42051 · Storm Door - Larson	123,483.00
42052 · Garage Doors - Amarr	2,963.75
Total 4205 · Garage Doors	126,446.75
4206 · Misc. Vendor Royalty	
42060 · Lansing Building Products	4,620.73
42061 · Wells Fargo Royalty	1,661,373.14
42062 · ABC Supply	143,811.07
42063 · Alpha Systems	4,110.49
42064 · Hayes Printing	14,775.56
42065 · ASC Purchases	51,292.00
42066 · Owens Corning	33,103.31
42068 · Market USA	154,808.99
42070 · Eastern Metal	9,027.14
42071 · Wells Fargo Retention Income	916,666.63
42072 · Capital One	13,366.45
42073 · SRS Distribution	60,616.65
42074 · Pinnacle Rebate	8,475.84
Total 4206 · Misc. Vendor Royalty	3,076,048.00
4208 · Window Royalties	
4210 · AMI Windows	11,306,845.00
4211 · MI Windows	10,455,075.25
4212 · WinCore Windows	2,693,770.04
4213 · Hy-Lite Windows	150.00
4215 · Simonton Windows	2,683,036.20
4216 · Windsor Windows	137,242.00
Total 4208 · Window Royalties	27,276,118.49
Total 4200 · Franchise Income	34,185,100.22

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Accrual Basis

**WINDOW WORLD INC**  
**Profit & Loss**  
January through November 2024

	<u>Jan - Nov 24</u>
4300 · Franchise Start-Up Income	
4302 · Franchise Start-Up Income-Other	135,000.00
Total 4300 · Franchise Start-Up Income	135,000.00
4400 · Warranty Transfer Income	300.00
4600 · Website Management Income	5,670.00
4700 · Excess Vendor Marketing Funds	3,039,136.17
Total 4000 · Sales	37,365,206.39
4950 · Rental Income	16,500.00
Total Income	37,381,706.39
Gross Profit	37,381,706.39
Expense	
5000 · Administrative Cost	
5100 · Airplane Expenses	
5103 · Airplane Insurance	32,932.00
5104 · Airplane Fuel	105,727.94
5105 · Airplane Supplies	661.66
5107 · Charts	4,703.56
5108 · Hangar Expense	
5108-1 · Hangar Utilities	5,046.63
5108-2 · Hangar Rent	33,000.00
Total 5108 · Hangar Expense	38,046.63
5109 · Landing/Ramp Fees	256.10
5110 · Maintenance	146,250.67
5111 · Pilots Subcontractors	3,250.00
5112 · Pilot Safety Class	30,790.00
5113 · Pilot Wages	264,000.00
5114 · Pilot Wages Bonus	6,000.00
5115 · Property Tax	29,520.39
Total 5100 · Airplane Expenses	662,138.95
5200 · Corporate Housing	
5202 · Seawatch Condo	92,502.13
5205 · Senior Mgmt Condos	34,771.67
Total 5200 · Corporate Housing	127,273.80
5300 · Insurance	
5301 · Automobile Insurance	5,265.90
5302 · Dental Insurance	87,274.56
5304 · Hospitalization Insurance	470,469.19
5305 · Liability Insurance	178,382.91
5307 · Work Comp	16,411.00
Total 5300 · Insurance	757,803.56
5500 · Payroll Expenses	
5501 · Administrative Wages	179,057.15
5502 · Administrative Wages Bonus	12,000.00

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Accrual Basis

**WINDOW WORLD INC**  
**Profit & Loss**  
January through November 2024

	Jan - Nov 24
5503 · Executive Wages	1,258,921.95
5504 · Executive Wages Bonus	16,000.00
5507 · Payroll Taxes	426,646.45
5508 · 401K Expense	189,835.84
5509 · Admin Fees - 401k	7,412.37
<b>Total 5500 · Payroll Expenses</b>	<b>2,089,873.76</b>
5600 · Taxes	
5601 · Property Taxes	38,430.29
5603 · State Franchise Tax & Fees	306.00
5604 · Taxes - Other	21,070.13
<b>Total 5600 · Taxes</b>	<b>59,806.42</b>
5700 · Travel & Ent	
5702 · Lodging	69,423.67
5703 · Meals	66,406.90
5704 · Travel	72,809.22
<b>Total 5700 · Travel &amp; Ent</b>	<b>208,639.79</b>
5800 · Corporate Headquarters	
5801 · Breakroom Supplies	36,936.58
5803 · Building Repairs	56,592.13
5804 · Building Supplies	41,463.20
5805 · Flowers	2,697.66
5806 · Janitorial Exp	40,037.69
5807 · Landscaping	20,154.26
5808 · Office Supplies	39,631.49
5810 · Rent Corporate Headquarters	386,969.55
5811 · Support Services Wages	263,032.16
5812 · Support Services Wages Bonus	9,000.00
5813 · Utilities	
58132 · Gas and Electric	25,426.83
58133 · Internet Connection	3,482.26
58134 · Security	6,135.20
58135 · Telephone	
581351 · Office Phones	21,565.18
581352 · Cellular phones	32,339.05
<b>Total 58135 · Telephone</b>	<b>53,904.23</b>
58137 · Water & Sewer	2,698.85
<b>Total 5813 · Utilities</b>	<b>91,647.37</b>
<b>Total 5800 · Corporate Headquarters</b>	<b>988,162.09</b>
5900 · Other Admin Expense	
5901 · Accounting	
59161 · Accounting Wages	230,280.75
59162 · Accounting Wages Bonus	11,000.00
59163 · Accounting - Other	95,858.26

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Accrual Basis

**WINDOW WORLD INC**  
**Profit & Loss**  
January through November 2024

	Jan - Nov 24
Total 5901 · Accounting	337,139.01
5903 · Automobile Expense	
59032 · Automobile Expense - Other	71,643.65
Total 5903 · Automobile Expense	71,643.65
5904 · Bank Service Charges	25,520.71
5905 · Consulting Fees	135,492.61
5906 · Credit Card Processing	2,269.16
5908 · Donation	
59081 · Donation - Other	604,312.59
Total 5908 · Donation	604,312.59
5909 · Dues and Subscriptions	356,745.25
5910 · Equipment Rental	12,534.78
5911 · Continuing Education	8,834.30
5912 · Employee Service Awards	13,963.50
5914 · Legal Fees	
59141 · Legal Wages	428,223.60
59142 · Legal Wages Bonus	19,000.00
59143 · Legal Travel	9,477.63
59144 · Legal Meals	2,445.11
59145 · Legal Fees - Other	960,711.44
Total 5914 · Legal Fees	1,419,857.78
5915 · Directors' Fees	450,000.00
5917 · Merchandise	97,240.53
5918 · Postage and Delivery	2,228.72
5921 · Printing and Reproduction	4,457.93
5922 · Repairs	
59221 · Computer Repairs & Support	84,450.69
59223 · Computer Equipment	18,288.68
Total 5922 · Repairs	102,739.37
5923 · Recruiting	17,600.00
Total 5900 · Other Admin Expense	3,662,579.89
Total 5000 · Administrative Cost	8,556,278.26
6000 · Franchisee Cost	
6100 · Advertising/Marketing	
61001 · Brand Maintenance	
6101 · Brand Insights	27,500.00
6103 · Brand Management	207,518.07
Total 61001 · Brand Maintenance	235,018.07
6105 · Asset Production	
61051 · Video Production	27,685.89
61052 · Photo Production	4,190.00
61053 · Print Production	3,906.16
61055 · Asset Production - Other	83,021.75



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Accrual Basis

**WINDOW WORLD INC**  
**Profit & Loss**  
January through November 2024

	<u>Jan - Nov 24</u>
Total 6105 · Asset Production	118,803.80
6110 · Advertising	
61101 · Advertising · Print	413,138.00
61102 · Advertising · Digital/PPC	86,768.77
61106 · Advertising · Other	<u>1,694,046.65</u>
Total 6110 · Advertising	2,193,953.42
61201 · Corporate Sites	64,792.47
6130 · Event Marketing	
61300 · Jarett Andretti	125,000.00
61301 · Racing	143,480.57
61303 · Merle Fest	160,562.65
61304 · Concerts on the Deck	15,000.00
61307 · WW Military Initiative	<u>112,150.12</u>
Total 6130 · Event Marketing	556,193.34
6135 · Franchisee Marketing Initiatives	
61350 · Telemarketing	22,663.61
61353 · Signage Co-op	9,810.52
61354 · Wells Fargo Finance Initiative	111,068.18
61355 · Style Guides	75,930.75
6135 · Franchisee Marketing Initiatives · Other	<u>-12,200.00</u>
Total 6135 · Franchisee Marketing Initiatives	207,273.06
6140 · Online Marketing	7,825.52
6150 · Production	469.67
6158 · Marketing · Contracted Services	18,750.00
6174 · Travel · Marketing	10,514.14
6176 · Lodging · Marketing	1,844.17
6177 · Meals · Marketing	4,162.05
6180 · Public Relations	158,715.00
6192 · Marketing Wages	668,446.28
6194 · Marketing Bonus	<u>27,500.00</u>
Total 6100 · Advertising/Marketing	4,274,260.99
6195 · Literature	
6197 · Fulfillment	<u>152,635.07</u>
Total 6195 · Literature	152,635.07
6200 · Corporate Meetings	
6201 · Owner's Forum	
6201-1 · Advisory Council	96,852.83
6201 · Owner's Forum · Other	<u>-584.00</u>
Total 6201 · Owner's Forum	96,268.83
6202 · Family Reunion	4,644,955.28
6204 · Owner's Trip	3,223.50
6205 · Regional Sales Meeting	2,687.92
6206 · New Design Consultant Orient.	43,876.84

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Accrual Basis

**WINDOW WORLD INC**  
**Profit & Loss**  
January through November 2024

	Jan - Nov 24
6207 · St. Jude Event	40,343.55
6210 · New Store Owner Orientation	11,343.94
6213 · High Performance Summit	133,925.19
6216 · Misc Corporate Meetings	4,284.54
6218 · Installation Initiative	2,739.00
6219 · AAMA Training	306.10
6220 · Splash Fund	265.99
6221 · Sales Velocity	25,000.00
6225 · Corporate Meetings-Other	208.38
<b>Total 6200 · Corporate Meetings</b>	<b>5,009,429.06</b>
6300 · Franchise Documentation Expense	
6301 · Franchise Legal Fees	1,420.50
6302 · State Franchise Fees	425.00
6303 · Franchise Doc Exp-Other	51,124.55
<b>Total 6300 · Franchise Documentation Expense</b>	<b>52,970.05</b>
6400 · Franchisee Training	
6402 · Lodging	11,942.85
6403 · Meals	6,219.18
6404 · Training Wages	448,413.30
6405 · Training Wages Bonus	21,588.99
6406 · Travel	19,504.72
6407 · Training Dues & Sub	797.34
6408 · Franchise Training - Other	2,736.42
6903 · Franchisee/Sales Contest	15,745.13
<b>Total 6400 · Franchisee Training</b>	<b>526,947.93</b>
6500 · Franchisee Start Up Cost	
6501 · Franchisee Computers	9,180.77
6502 · Marketing Material - Franchise	4,160.49
6503 · Window Displays Franchisee	10,601.64
6504 · Franchisee Meals	5,031.14
6505 · Franchisee Start-Up Cost-Other	4,238.36
<b>Total 6500 · Franchisee Start Up Cost</b>	<b>33,212.40</b>
6600 · Regional Manager Expense	
6601 · Regional Materials & Expense	138,727.71
6602 · Regional Meals	112,775.68
6603 · Regional Lodging	129,607.21
6604 · Regional Travel	303,583.12
6605 · Regional Manager Wages	916,967.81
6606 · Regional Manager Wages Bonus	40,250.00
<b>Total 6600 · Regional Manager Expense</b>	<b>1,641,911.53</b>
6700 · Product Development	
6701 · Prod Dev Wages	365,909.87
6702 · Prod Dev Wages Bonus	17,000.00

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01/13/25  
Accrual Basis

**WINDOW WORLD INC**  
**Profit & Loss**  
January through November 2024

	Jan - Nov 24
6703 · Prod Dev Travel	38,091.79
6704 · Prod Dev Meals & Ent	12,022.17
6705 · Product Development Training	3,780.78
6706 · Prod Dev Lodging	9,401.10
6707 · Product Development-Other	2,639.87
<b>Total 6700 · Product Development</b>	<b>446,845.58</b>
<b>6800 · WW360</b>	
6801 · 360 Wages	730,246.59
6802 · 360 Wages Bonus	24,500.00
6803 · 360 Travel	40,592.53
6804 · 360 Meals & Ent	7,798.62
6805 · 360 Contracted Services	75,565.47
6806 · 360 Lodging	16,753.31
6808 · WW360 Miscellaneous Expense	193.75
<b>Total 6800 · WW360</b>	<b>895,650.27</b>
<b>6900 · Other Franchise Cost</b>	
6902 · Failed Franchisee	
69021 · Sacramento	883.84
69022 · East Bay	20,679.37
69024 · Failed Franchisee - Other	95,326.95
<b>Total 6902 · Failed Franchisee</b>	<b>116,890.16</b>
6904 · Franchisee Expense	85,932.89
6907 · Postage and Delivery Franchisee	44,051.58
<b>6910 · National Franchise Development</b>	
6911 · Franchise Dev Wages	306,933.21
6912 · Franchise Wages Bonus	15,000.00
6913 · Franchising	2,440.00
6915 · NF Website/Interactive PPC	108,730.00
6920 · Franchise Dev Travel	53,149.19
6921 · Franchise Dev Meals & Ent	12,256.08
6922 · Franchise Dev Lodging	23,215.25
6923 · National Franchise Dev - Other	13,327.99
<b>Total 6910 · National Franchise Development</b>	<b>535,051.72</b>
6940 · Simonton Preferred Pricing Prog	155,505.00
6941 · Milgard Preferred Pricing	1,190.00
6942 · Windsor Preferred Pricing	1,550.00
6950 · Other Franchise Cost	222.49
<b>Total 6900 · Other Franchise Cost</b>	<b>940,393.84</b>
<b>Total 6000 · Franchisee Cost</b>	<b>13,974,256.72</b>
<b>Total Expense</b>	<b>22,530,534.98</b>
<b>Net Ordinary Income</b>	<b>14,851,171.41</b>
<b>Other Income/Expense</b>	
<b>Other Income</b>	

1:02 PM  
01/13/25  
Accrual Basis

**WINDOW WORLD INC**  
**Profit & Loss**  
January through November 2024

	<u>Jan - Nov 24</u>
7010 - Interest Income	2,485,902.22
7030 - Other Income	
7030-2 - Miscellaneous Income	253.36
Total 7030 - Other Income	253.36
Total Other Income	2,486,155.58
Other Expense	
8010 - Bad Debt Expense	5,601.87
Total Other Expense	5,601.87
Net Other Income	2,480,553.71
Net Income	<u>17,331,725.12</u>

**Window World, Inc.**  
**Financial Statements**  
**For the Years Ended December 31,**  
**2023, 2022, and 2021**

**Window World, Inc.**  
**Financial Statements with**  
**Independent Auditor's Report**  
**Years Ended December 31, 2023, 2022, and 2021**

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**RANDY NEAL BLACKBURN, P.L.L.C.**  
CERTIFIED PUBLIC ACCOUNTANT  
CERTIFIED VALUATION ANALYST

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**INDEPENDENT AUDITOR'S REPORT**



To the Board of Directors and Shareholder  
of Window World, Inc.

**Opinion**

We have audited the accompanying financial statements of Window World, Inc. (a North Carolina corporation), which comprise the consolidated balance sheets as of December 31, 2023, 2022, and 2021, and the related consolidated statements of income, consolidated cash flows, and consolidated retained earnings for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Window World, Inc. as of December 31, 2023, 2022, and 2021, and the consolidated results of its operations and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit 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 Window World, Inc. 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 Window World, Inc.'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 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 Window World, Inc.'s internal control. Accordingly, no such opinion is expressed.

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MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS/NC ASSOC. OF CERTIFIED PUBLIC ACCOUNTANTS/  
NATIONAL ASSOCIATION OF CERTIFIED VALUATION ANALYSTS

- 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 Window World, Inc.'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.

**Other Information Included in the Franchise Disclosure Document**

Management is responsible for the other information included in the Franchise Disclosure Document. The other information comprises the information included in the Franchise Disclosure Document but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Randy Neal Blackburn, PLLC

Greensboro, NC

March 26, 2024





Window World, Inc.  
Consolidated Balance Sheets

	For the Year Ended:		
	12/31/2023	12/31/2022	12/31/2021
<b>Current Assets</b>			
Cash	\$ 54,010,422	\$ 40,485,042	\$ 33,975,592
Accounts Receivable, Net of Allowance for Credit Losses	6,691,744	5,809,736	7,014,234
Prepaid Expenses	848,382	753,673	598,535
Deposit on Fixed Asset	-	-	28,866
<b>Total Current Assets</b>	<b>61,550,548</b>	<b>47,048,451</b>	<b>41,617,227</b>
<b>Fixed Assets</b>			
Airplane	8,697,846	8,697,846	8,697,846
CRM Software Development	509,944	509,944	509,944
Furniture & Equipment	1,003,908	982,174	982,174
Company Vehicles & Showcars	1,890,202	1,749,243	1,720,377
Building & Improvements	4,668,178	4,630,487	3,910,189
Less: Accumulated Depreciation	(12,998,876)	(12,430,406)	(11,881,097)
<b>Net Fixed Assets</b>	<b>3,771,202</b>	<b>4,139,288</b>	<b>3,939,433</b>
<b>Other Assets</b>			
Due from Related Companies	329,494	235,536	148,054
Loans to Prior Shareholders	1,487,752	1,487,752	1,487,752
Operating Lease Right-of-Use Assets	559,452	841,051	-
360 Software Rights	100,000	100,000	100,000
Accumulated Amortization	(39,167)	(29,167)	(19,167)
<b>Total Other Assets</b>	<b>2,437,531</b>	<b>2,635,172</b>	<b>1,716,639</b>
<b>Total Assets</b>	<b>\$ 67,759,281</b>	<b>\$ 53,822,911</b>	<b>\$ 47,273,299</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 919,129	\$ 1,281,903	\$ 493,267
Accrued Expenses	21,833	15,092	846,150
Deferred Franchise Fees - Current Portion	102,012	103,012	80,012
Deferred WW Tech Start-Up Fees - Current Portion	3,964	2,530	-
401(k) Plan Profit Sharing Contribution Payable	-	-	600,000
Operating Lease Liabilities - Current Portion	443,541	408,723	-
Long-term Debt - Current Portion	-	1,056,758	1,035,851
<b>Total Current Liabilities</b>	<b>1,490,479</b>	<b>2,868,018</b>	<b>3,055,280</b>
<b>Long Term Liabilities</b>			
Stock Redemption Loan	-	11,446,808	12,482,658
Deferred Franchise Fees, Net of Current Portion	624,428	720,304	605,171
Deferred WW Tech Start-Up Fees, Net of Current Portion	13,075	9,116	-
Operating Lease Liabilities, Net of Current Portion	115,911	432,328	-
Less: Current Portion of LT Debt	-	(1,056,758)	(1,035,851)
Deferred Retention Income	3,000,000	4,000,000	5,000,000
<b>Total Long Term Liabilities</b>	<b>3,753,414</b>	<b>15,551,798</b>	<b>17,051,978</b>
<b>Total Liabilities</b>	<b>5,243,893</b>	<b>18,419,816</b>	<b>20,107,258</b>

Read Accountant's Audit Report/  
The Accompanying Notes Are An Integral Part Of These Financial Statements

3

Window World, Inc.  
Consolidated Balance Sheets

		For the Year Ended:		
		<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Equity				
Common Stock (100,000 shares authorized, 230 shares issued and outstanding)		100	100	100
Paid in Capital		10,100	10,100	10,100
Shareholder Distributions		(6,632,479)	(11,491,664)	(13,727,185)
Retained Earnings		46,137,547	27,155,841	15,683,361
Net Income (Loss)		<u>23,000,120</u>	<u>19,728,718</u>	<u>25,199,665</u>
Total Equity		<u>62,515,388</u>	<u>35,403,095</u>	<u>27,166,041</u>
Total Liabilities & Equity		<u>\$ 67,759,281</u>	<u>\$ 53,822,911</u>	<u>\$ 47,273,299</u>

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The Accompanying Notes Are An Integral Part Of These Financial Statements

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Window World, Inc.  
Consolidated Statements of Income

	For the Year Ended:		
	12/31/2023	12/31/2022	12/31/2021
Income			
Rebate Income	\$ 40,258,237	\$ 42,232,027	\$ 40,178,739
Warranty Income	400	200	200
Website Management Income	259,415	241,822	225,141
Marketing Income	4,379,031	3,176,674	3,528,999
Franchisor Operated Store Sales, net	-	601,248	6,820
Franchisor Owned Technology Co. Fees	494,771	345,454	257,162
Franchise Start-Up Income	131,877	91,866	112,502
Total Income	45,523,731	46,689,291	44,309,563
Cost of Goods Sold-Franchisor Operated Stores	(22,413)	(1,004,429)	(125,242)
Gross Profit	45,501,318	45,684,862	44,184,321
Operating Expenses			
Advertising & Marketing	4,142,835	3,295,618	2,204,132
Airplane Expenses	382,620	574,866	1,135,343
Amortization Expense	10,000	10,000	10,000
Automobile Expenses	89,148	68,488	37,894
Charitable Donations	616,671	1,485,677	545,761
Consulting Fees	143,990	115,500	82,280
Continuing Education	11,366	7,284	8,758
Corporate Meetings	1,571,191	4,564,754	188,923
CRM Expense	266,526	205,313	137,218
Depreciation Expense	568,470	549,309	564,467
Directors' Fees	450,000	450,000	450,000
Dues & Subscriptions	415,329	250,110	241,022
Franchise Expenses	1,387,558	1,683,874	1,055,275
Insurance	740,329	673,475	830,101
Interest Expense	138,692	239,301	262,405
Miscellaneous	159,845	275,040	178,901
Office Expense	84,453	57,555	63,337
Product Development	67,467	11,692	50,327
Professional Fees	4,323,203	3,208,934	2,450,476
Rental Expense	550,584	602,976	518,163
Repairs & Maintenance	256,874	469,052	245,546
Retirement Funding	197,790	187,726	781,262
Salaries & Wages	6,938,215	6,402,328	6,139,932
Special Projects	30,002	-	-
Supplies	89,195	55,786	49,106
Taxes & Licenses	573,644	481,954	466,888
Travel & Entertainment	206,473	163,124	165,202
Utilities	97,241	125,046	97,771
Total Operating Expenses	24,509,711	26,214,782	18,960,490
Net Operating Income (Loss)	20,991,607	19,470,080	25,223,831

Read Accountant's Audit Report/  
The Accompanying Notes Are An Integral Part Of These Financial Statements

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Window World, Inc.  
Consolidated Statements of Income

	For the Year Ended:		
	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Other Income (Expenses)			
Administrative Fee Income	18,000	18,000	18,000
Interest Income	2,036,921	365,438	352
Gain (Loss) on Sale of Assets	-	-	(5,074)
Other Income	-	200	-
Mediation Settlement	-	(125,000)	-
Bad Debt Expense	(46,408)	-	(36,721)
Income Tax Expense	-	-	(723)
Total Other Income (Expenses)	<u>2,008,513</u>	<u>258,638</u>	<u>(24,166)</u>
Net Income (Loss)	<u>\$ 23,000,120</u>	<u>\$ 19,728,718</u>	<u>\$ 25,199,665</u>

Read Accountant's Audit Report/  
The Accompanying Notes Are An Integral Part Of These Financial Statements

6

Window World, Inc.  
Consolidated Statements of Cash Flows

For the Year Ended:

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Cash flows from operating activities:			
Net Income	\$ 23,000,120	\$ 19,728,718	\$ 25,199,665
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	568,470	549,309	564,467
Amortization	10,000	10,000	11,006
(Gain)/loss on sale/disposal of assets	-	-	5,074
(Increase) decrease in:			
Accounts receivable	(882,006)	1,204,498	(522,980)
Prepaid expenses	(94,709)	(155,138)	(137,894)
Other current assets	-	-	646,134
Deposit on fixed asset	-	28,866	-
Increase (decrease) in:			
Accounts payable	(362,774)	788,636	17,424
Accrued expenses	6,741	(831,058)	821,742
Deferred franchise fees	(1,000)	23,000	233,749
Deferred start-up fees	1,434	2,530	-
401(k) profit sharing contribution payable	-	(600,000)	600,000
Total adjustments	<u>(753,844)</u>	<u>1,020,643</u>	<u>2,238,722</u>
Net cash provided (used) by operating activities	<u>22,246,276</u>	<u>20,749,361</u>	<u>27,438,387</u>
Cash flows from investing activities:			
Purchase of fixed assets	(200,384)	(749,164)	(158,720)
Due from/to affiliated parties	<u>(93,958)</u>	<u>(87,482)</u>	<u>(98,324)</u>
Net cash provided (used) by investing activities	<u>(294,342)</u>	<u>(836,646)</u>	<u>(257,044)</u>
Cash flows from financing activities:			
Deferred franchise & start-up fees	(91,918)	124,249	-
Deferred retention income	(1,000,000)	(1,000,000)	4,650,000
Payments on long-term borrowings	(702,157)	(1,035,850)	(3,737,816)
Shareholder distributions	<u>(6,632,479)</u>	<u>(11,491,664)</u>	<u>(13,727,185)</u>
Net cash provided (used) by financing activities	<u>(8,426,554)</u>	<u>(13,403,265)</u>	<u>(12,815,001)</u>

Read Accountant's Audit Report/  
The Accompanying Notes Are An Integral Part Of These Financial Statements

7

Window World, Inc.  
Consolidated Statements of Cash Flows

For the Year Ended:

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Increase (decrease) in cash and cash equivalents	13,525,380	6,509,450	14,366,342
Cash and cash equivalents at beginning of year	<u>40,485,042</u>	<u>33,975,592</u>	<u>19,609,250</u>
Cash and cash equivalents at year-end	<u>\$ 54,010,422</u>	<u>\$ 40,485,042</u>	<u>\$ 33,975,592</u>
Supplemental Disclosures of Cash Flow Information:			
Cash paid for the year for:			
Interest	\$ 138,692	\$ 239,301	\$ 262,405
Income Tax	\$ -	\$ -	\$ 723

Read Accountant's Audit Report/  
The Accompanying Notes Are An Integral Part Of These Financial Statements

8

Window World, Inc.  
Consolidated Statements of Retained Earnings

	For the Year Ended:		
	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Retained Earnings - January 1	\$ 35,392,895	\$ 27,155,841	\$ 15,693,361
Plus: Net Income (Loss)	23,000,120	19,728,718	25,199,665
Cumulative Effect Adjustment	-	-	(10,000)
Termination of Stock Redemption Loan	10,744,652	-	-
Less: Dividends	<u>(6,632,479)</u>	<u>(11,491,664)</u>	<u>(13,727,185)</u>
Retained Earnings - December 31	<u>\$ 62,505,188</u>	<u>\$ 35,392,895</u>	<u>\$ 27,155,841</u>

Read Accountant's Audit Report/  
The Accompanying Notes Are An Integral Part of These Financial Statements



Window World, Inc.  
Notes to Financial Statements  
December 31, 2023, 2022, and 2021

**Note A – Summary of Significant Accounting Policies**

This summary of significant accounting policies of Window World, Inc. is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity.

These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

**Nature of Operations**

Window World, Inc. is a corporation incorporated under the laws of the State of North Carolina in 1997. Window World, Inc. has 210 Window World store locations nationally spanning 47 states. Window World is the largest window replacement company in America and is one of the largest home improvement companies as well. Each location is individually owned and operated by the Company's franchisees.

The Company is currently either registered or has a valid exemption in all 13 states that require registration and its Franchise Disclosure Document (FDD) and/or an exemption filing are being filed with those 13 states. The Company is also filing with 3 states that require annual registration but not a copy of the FDD.

**Basis of Accounting**

The financial statements presented are on the accrual basis of accounting. Sales revenue is recognized when earned and expenses are recognized when a liability has been incurred.

**Website Design and Management**

The Company has an agreement with some of its franchisees for website design and management services. The monthly fee for the service is \$175 and must be paid by credit card. The term of this agreement is for a period of five years, and shall automatically renew for another period of five years, unless either party declines. There is no charge for the initial year; however, the agreement may be terminated at any point by the franchisee with no refund of any previously authorized payments. The revenue is recognized under FASB ASC 985-605-25-3, when the following criteria are met: persuasive evidence of an arrangement exists, delivery has occurred, the vendor's fee is fixed or determinable and collectability is probable. 100% of the \$259,415, \$241,822 and \$225,141 in website management fees received during 2023, 2022 and 2021, respectively, have been included in the Company's income statement under Website Management Income and have been recognized in full during 2023, 2022, and 2021. The Company managed 163 websites in 2023, 158 websites in 2022, and 127 websites in 2021.

Window World, Inc.  
Notes to Financial Statements  
December 31, 2023, 2022, and 2021

**Note A – Summary of Significant Accounting Policies (Continued)**

**Franchise Fee Revenues**

The Company has elected not to account for franchise fee revenues using the Practical Expedient for private companies under ASU 2021-02 and, thus, continues to account for them under FASB Topic 606, *Revenue from Contracts with Customers*. Franchise fee revenue, categorized as “Franchise Start-Up Income”, is recognized as follows:

Because franchise fees comprise only a small part of the Company’s revenue, management decided that the most feasible way to recognize revenue from the agreements in compliance with FASB Topic 606 is to amortize the entire franchise fee over the 10-year contract length. For the years 2023, 2022, and 2021, respectively, this results in current year revenue of \$131,877, \$91,866, and \$112,502, and deferred revenue of \$726,440, \$823,316, and \$685,183.

Pursuant to FASB ASC 606-10-50-7, the Company’s Franchise Fee includes training, computer & accounting software, displays, literature & in-home presentation samples, a mobile display kit, a photo shoot, and the use of the Company’s name and logo in their advertising for the length of the franchise agreement. All components of the Franchise Fee are transferred at or near the signing of the franchise agreement, other than franchisee training, which in some cases may run into a subsequent reporting period before the obligation is performed. The Company has elected to amortize the Franchise Fee in its entirety over the 10-year term. The type of customer, type of contract, and customer geographical location for each franchisee are not affected by normal economic factors as to the nature, amount, timing, and uncertainty of revenue and cash flows, as they are upfront fees paid by the franchisee.

By virtue of FASB ASC 606-10-50-11, the following beginning and ending balances are being disclosed:

	01/01/2023	12/31/2023	01/01/2022	12/31/2022
Receivables	0	0	0	0
Contract Assets	0	0	0	0
Contract Liabilities (Deferred Revenue)	\$823,316	\$726,440	\$685,183	\$823,316
	01/01/2021	12/31/2021		
Receivables	0	0		
Contract Assets	0	0		
Contract Liabilities (Deferred Revenue)	\$451,434	\$685,183		

In accordance with FASB ASC 606-10-50-12, see above commentary under FASB ASC 606-10-50-7 disclosure.

Window World, Inc.  
Notes to Financial Statements  
December 31, 2023, 2022, and 2021

**Note A – Summary of Significant Accounting Policies (Continued)**

**Franchise Fee Revenues (Continued)**

Pursuant to FASB ASC 606-10-50-17, as stated above, the Company has elected to amortize the entire Franchise Fee over the 10-year term of the agreement. The Franchise Fee is not allocated to the various components included in the fee, but rather has been amortized in full over the term of the agreement.

**Other Information**

The Company requires an initial franchise and equipment fee of \$45,000 payable in a lump-sum from prospective franchisees and that fee is non-refundable. The Company does not charge its franchisees any continuing franchise fees. The initial term of the franchise agreement is for 10 years, with an automatic renewal for an additional 10-year term if in compliance. If a franchisee receives approval to sell their franchise, the new franchisee must currently pay a \$11,250 transfer fee in lieu of the initial franchise and equipment fee.

**Cash and Cash Equivalents**

The Company defines its cash and cash equivalents as checking and money market accounts.

**Accounts Receivable**

The Company uses a combination of historical loss information and economic forecasts that are reasonable and supportable to determine expected credit losses from trade receivables. For the years 2023, 2022, and 2021, the composition of trade receivables at year-end has been consistent since the Company's credit terms and practices, as well as the creditworthiness of its customer base, have not changed significantly. Consequently, even though as of December 31, 2023, reasonable and supportable economic forecasts are uncertain about the economy remaining slow, out of conservatism, the Company's management is keeping the Allowance for Credit Losses at \$10,000. Management believes that this figure results in the presentation on the balance sheet of the amount of accounts receivable that the Company reasonably expects to collect.

**Depreciation of Property and Equipment**

Property and equipment are recorded at cost. Major improvements, which substantially increase an asset's life, are capitalized and repairs are expensed in the period incurred.

Window World, Inc.  
Notes to Financial Statements  
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**Note A – Summary of Significant Accounting Policies (Continued)**

For financial reporting, fixed assets are depreciated under the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	15 & 39
Furniture and fixtures	7
Machinery and equipment	5 & 7
Vehicles and airplane	5

Depreciation expense for the year ended December 31, 2023 was \$568,470; for the year ended December 31, 2022 was \$549,309; and for the year ended December 31, 2021 was \$564,467.

**Leases**

The Company calculates operating lease liabilities using the prime rate and a comparable period with the lease term. All lease and non-lease components are combined for all leases. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized.

**Income Taxes**

As of January 1, 2008, the Company elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income. The Company is also not allowed a net operating loss carryover or carryback as a deduction. Instead, the stockholder is liable on her individual income tax return for federal income taxes on her respective share of taxable income and/or net operating loss.

The following federal and state tax returns filed or to be filed remain open for examination by the corresponding tax authorities: 2023, 2022, 2021, and 2020.

**Consolidation Policy**

Window World, Inc. is the sole owner of two Limited Liability Companies - WW Management Services, LLC and Window World Technologies, LLC. For the years ended December 31, 2023, 2022, and 2021, both entities' financial position and results of operations were consolidated with those of Window World, Inc. since the Company will assume all of the expected income and expenses of these entities for the entire year.

WW Management Services, LLC (WWMS, LLC) was formed in November 2019. Its purpose is to provide management services to franchisees who enter into management agreements with it. Occasionally, WWMS, LLC also temporarily operates stores that were formerly owned by Window World franchisees until a new owner is found for the franchise.



Window World, Inc.  
Notes to Financial Statements  
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**Note A – Summary of Significant Accounting Policies (Continued)**

Window World Technologies, LLC was formed in January 2020. Its purpose is to provide installation and support services for the Company's customer relationship management software package (see Note R). When a store begins using this software, they pay a \$600 one-time start-up fee, which the Company's management has elected to amortize over the ten-year life of the software license in conformity with FASB Topic 606. Once a store is established on the software, it pays monthly service and support fees of \$500. For the years ended December 31, 2023, 2022 and 2021, respectively, WW Technologies, LLC reported \$494,771, \$345,454, and \$257,162 in total fees on the Consolidated Income Statement.

**Note B – Note Payable**

At December 31, 2023, the Company has no outstanding notes payable. See Note P for information regarding the termination of the Company's obligation on the note payable that is outstanding at both December 31, 2022 and 2021.

At December 31, 2022, the Company's outstanding note payable is as follows:

<u>Description</u>	<u>Security</u>	<u>Amount</u>
Note Payable		
Interest Rate 2.00% per Annum	Cash, Accounts	
Monthly Payment of \$106,337	Receivable, Fixed	
Due October 2032	Assets	\$11,446,808
Less current portion		<u>(1,056,758)</u>
		<u>\$10,390,050</u>

The following is a schedule of future payments required under the terms of the note payable as of December 31, 2022:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 1,056,759
2024	1,078,089
2025	1,099,849
2026	1,122,049
2027	1,144,697
Thereafter	<u>5,945,365</u>
	<u>\$11,446,808</u>

Window World, Inc.  
Notes to Financial Statements  
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**Note B – Note Payable (Continued)**

At December 31, 2021, the Company's outstanding note payable is as follows:

<u>Description</u>	<u>Security</u>	<u>Amount</u>
Note Payable – One Interest Rate 2.00% per Annum Monthly Payment of \$106,337 Due October 2032	Cash, Accounts Receivable, Fixed Assets	\$12,482,658
Less current portion		<u>(1,035,851)</u>
		<u>\$11,446,807</u>

The following is a schedule of future payments required under the terms of the note payable as of December 31, 2021:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 1,035,851
2023	1,056,759
2024	1,078,089
2025	1,099,849
2026	1,122,049
Thereafter	<u>7,090,061</u>
	<u>\$12,482,658</u>

**Note C – Description of Leasing Arrangements**

The Company leases its corporate headquarters, a hangar for its company airplane, and three photocopiers under operating leases with five-year initial terms. The lease for the corporate headquarters includes a renewal option which can extend the lease term fifteen years, as well as an alternate provision that allows the lessee to remain after the expiration of the initial term with a month-to-month tenancy. Whether to exercise the renewal option, choose a month-to-month tenancy, or neither is at the sole discretion of the Company, and currently it is not reasonably certain which action management will take, so the renewal option is not included in the measurement of the lease asset and liability.

While all of the agreements provide for minimum lease payments, one includes payments adjusted for inflation, and another one variable payments based on excess usage. Variable payments are not

Window World, Inc.  
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**Note C – Description of Leasing Arrangements (Continued)**

determinable at the lease commencement and are not included in the measurement of the lease asset and liability. The lease agreements do not include any material residual value guarantees or restrictive covenants.

The following summarizes the line items in the balance sheet which include amounts for operating leases as of December 31, 2023:

Operating Lease Right of Use Assets	<u>\$559,452</u>
Current Portion of Operating Lease Liabilities	\$443,541
Noncurrent Portion of Operating Lease Liabilities	<u>115,911</u>
Total Operating Lease Liabilities	<u>\$559,452</u>

The components of operating lease expenses that are included in “Operating Expenses” in the consolidated statement of income for the year ended December 31, 2023 were as follows:

Operating Lease Cost	\$460,176
Variable Lease Cost	4,054

The following summarizes the cash flow information related to operating leases for the year ended December 31, 2023:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows for operating leases	\$460,176
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Lease assets obtained in exchange for lease liabilities:

Operating leases	\$989,883
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Weighted average lease term and discount rate as of December 31, 2023 were as follows:

Weighted average remaining lease term	2.6 years
Weighted average discount rate	4.75%



Window World, Inc.  
Notes to Financial Statements  
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**Note C – Description of Leasing Arrangements (Continued)**

The maturities of operating lease liabilities as of December 31, 2023 were as follows:

2024	\$468,454
2025	46,305
2026	42,011
2027	36,000
2028	<u>6,000</u>
Total lease payments	\$598,770
Less: Interest	<u>(39,318)</u>
Present value of lease liabilities	<u>\$559,452</u>

The following summarizes the line items in the balance sheet which include amounts for operating leases as of December 31, 2022:

Operating Lease Right of Use Assets	<u>\$841,051</u>
Current Portion of Operating Lease Liabilities	\$408,723
Noncurrent Portion of Operating Lease Liabilities	<u>432,328</u>
Total Operating Lease Liabilities	<u>\$841,051</u>

The components of operating lease expenses that are included in “Operating Expenses” in the consolidated statement of income for the year ended December 31, 2022 were as follows:

Operating Lease Cost	\$459,861
Variable Lease Cost	431

The following summarizes the cash flow information related to operating leases for the year ended December 31, 2022:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows for operating leases	\$459,861
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Lease assets obtained in exchange for lease liabilities:

Operating leases	\$1,269,373
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Window World, Inc.  
Notes to Financial Statements  
December 31, 2023, 2022, and 2021

**Note C – Description of Leasing Arrangements (Continued)**

Weighted average lease term and discount rate as of December 31, 2022 were as follows:

Weighted average remaining lease term	1.9 years
Weighted average discount rate	3.25%

The maturities of operating lease liabilities as of December 31, 2022 were as follows:

2023	\$430,176
2024	432,454
2025	10,305
2026	6,011
2027	<u>- 0 -</u>
Total lease payments	\$878,946
Less: Interest	<u>(37,895)</u>
Present value of lease liabilities	<u>\$841,051</u>

**Note D – Month-to-Month Rental Commitments**

Since January 1, 2017, the Company has been leasing a condominium located in North Wilkesboro, NC on a month-to-month basis, with monthly rent payments of \$900. Management did not terminate this lease in 2023, and management is reasonably certain that it will not terminate this lease within the next twelve months from December 31, 2023. Consequently, as of December 31, 2023 and 2022, the Company has an annual future payment commitment under this lease of \$10,800.

On December 1, 2021, the Company signed a one-year lease on a second condominium located in North Wilkesboro, NC, with monthly rent payments of \$1,100. On December 1, 2022, this lease converted to a month-to-month tenancy with no change in the monthly rent amount. Management did not terminate this lease in 2023, and management is reasonably certain that it will not terminate this lease within the next twelve months from December 31, 2023. Consequently, as of December 31, 2023 and 2022, the Company has an annual future payment commitment under this lease of \$13,200.

Rent costs associated with both condominiums were \$24,000 for the years ended December 31, 2023 and 2022. For the year ended December 31, 2021, rent costs associated with the first condominium were \$10,800, and those associated with the second condominium were \$1,100.

The Company leases a condominium in Myrtle Beach, SC from WTW Condos, LLC (a single-member LLC owned by the Company's sole shareholder). The lease is a month-to-month agreement with

Window World, Inc.  
Notes to Financial Statements  
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**Note D – Month-to-Month Rental Commitments (Continued)**

monthly rent payments of \$5,500. In addition, the Company is responsible for cleaning, maintenance, and repair costs, which vary from year to year. Management did not terminate this lease in 2023, and management is reasonably certain that it will not terminate this lease within the next twelve months from December 31, 2023. Consequently, as of December 31, 2023, 2022, and 2021, the Company has an annual minimum future payment commitment under this lease of \$66,000.

Rent costs associated with this lease, including base rent, cleaning, maintenance, and repair costs, were \$84,724, \$79,517, and \$82,543 for the years ended December 31, 2023, 2022, and 2021, respectively.

**Note E – Line of Credit**

The Company had an agreement with a financial institution for a revolving line of credit for \$1,750,000 collateralized by the Company's business assets. The line of credit is subject to interest at the financial institution's prime rate plus 0.00%. There was no balance due on this line of credit at December 31, 2022, or at December 31, 2021. The line of credit was up for renewal on April 1, 2023, and was not renewed. See Note O for information on a new line of credit with a different financial institution that management plans to open subsequent to December 31, 2023.

**Note F – Advertising Expense**

Advertising costs are expensed in the period incurred and not over the life of the advertising. Advertising expense was \$4,142,835 for 2023, \$3,295,618 for 2022, and \$2,204,132 for 2021.

**Note G – Interest Expense**

Interest expense was \$138,692 for the 12 months ending December 31, 2023, \$239,301 for the 12 months ending December 31, 2022, and \$262,405 for the 12 months ending December 31, 2021.

**Note H – Compensated Absences**

The Company has not accrued compensated absences because the amount cannot be reasonably estimated.

**Note I – Management's Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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**Note I – Management’s Estimates (Continued)**

In particular, management has estimated the following amount representing Marketing Allowances receivable from six of its major suppliers as of December 31, 2023:

Marketing Fund Receivable	\$2,100,000
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This amount represents management’s and the suppliers’ best estimate of the April 2023 to March 2024 Marketing Allowance to be received in the second quarter of 2024. It is included in the total accounts receivable balance of \$6,691,744 at December 31, 2023. See Note S for information on this allowance.

Management has estimated the following amount representing Marketing Allowances receivable from two of its major suppliers as of December 31, 2022:

Marketing Fund Receivable	\$1,750,000
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This amount represents management’s and the suppliers’ best estimate of the April 2022 to March 2023 Marketing Allowance to be received in the second quarter of 2023. It is included in the total accounts receivable balance of \$5,809,736 at December 31, 2022. See Note S for information on this allowance.

Management has estimated the following amount representing Marketing Allowances receivable from two of its major suppliers as of December 31, 2021:

Marketing Fund Receivable	\$2,350,000
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This amount represents management and the suppliers’ best estimate of the April 2021 to March 2022 Marketing Allowance to be received in the second quarter of 2022. It is included in the total accounts receivable balance of \$7,014,234 at December 31, 2021. See Note S for information on this allowance.

**Note J – Related-Party Transactions**

The following related parties either owed the Company non-interest-bearing loans or (the Company owed them non-interest-bearing loans) at December 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Window World International, LLC	\$ 458,659	\$ 431,741	\$ 391,881
Window World of Boston, LLC	(63,910)	(63,910)	(63,910)
Window World Holdings, Inc.	(947,505)	(1,014,545)	(1,062,167)
Holdings Investments I, LLC	882,075	882,075	882,075
Perfect Investments, LLC	<u>175</u>	<u>175</u>	<u>175</u>
	<u>\$ 329,494</u>	<u>\$ 235,536</u>	<u>\$ 148,054</u>

Window World, Inc.  
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**Note J – Related-Party Transactions (Continued)**

The Company leases its corporate headquarters office building in North Wilkesboro, North Carolina from Perfect Investments, LLC (a single-member LLC owned by the Company's sole shareholder). This lease is included in the leasing arrangements described in Note C.

The Company leases a condominium in Myrtle Beach, SC from WTW Condos, LLC (a single-member LLC owned by the Company's sole shareholder). This lease is included in the month-to-month rental commitments described in Note D.

The Company's former founding shareholder owed the Company \$1,487,752 at December 31, 2023, 2022 and 2021.

**Note K – Market Concentrations**

Except as noted in the next paragraph, there are no material market concentrations, as the Company's stores span most of the country, and it has multiple window, siding, and door manufacturers who supply products to its franchisees.

Management observed that, if the Company prevails in the lawsuits discussed in Note N, it will need time to find qualified franchisees to replace the ones who initiated the litigation. Therefore, until suitable replacement franchisees are found and have time to build their goodwill and sales volume, the Company's revenue would be reduced.

**Note L – Concentration of Credit Risks**

The Company from time to time may exceed FDIC insured amounts in its bank accounts. The Company has not experienced any losses with these amounts. The Company exceeded the insurance threshold at December 31, 2023, 2022 and 2021.

The accounts receivable balance at December 31, 2023 was 19.2% and 13.6% from two customers respectively. Those same two customers' share of the accounts receivable balance at December 31, 2022 was 23.6% and 14.2%, respectively, and at December 31, 2021 it was 36.1% and 20.2% - the customers being the Company's two largest suppliers of its windows.

**Note M – 401(k) Retirement Plan**

The Company sponsors a 401(k) retirement plan covering most of its employees. Full-time employees are eligible to participate in the plan after completing one year of service. The Company makes matching contributions based upon the level of employees' contributions.

In addition, if it chooses to, the Company can make a discretionary profit-sharing contribution to the Plan that is prorated among all eligible employees based on their eligible compensation. For the years

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**Note M – 401(k) Retirement Plan (Continued)**

ended December 31, 2023 and 2022, the Company chose not to make such a contribution. For the year ended December 31, 2021, the Company did make a discretionary profit-sharing contribution in the amount of \$600,000.

Amounts expensed under this plan were \$197,790 in 2023, \$187,726 in 2022, and \$781,262 in 2021.

**Note N – Contingent Liabilities**

The Company is subject to various legal proceedings and claims which arise in the ordinary course of its business. Management believes the ultimate liability with respect to these actions will not materially affect the financial condition or results of operations of the Company.

The Company was involved in a lawsuit with two groups of its franchisees as of December 31, 2023, 2022 and 2021 that originated in 2015. The Company's counsel and management believe that, while these lawsuits could have detrimental effects to the Company's franchise relationships if the plaintiffs are successful, both believe the cases are defensible on their merits. The outcome of these cases is uncertain, but it is "reasonably possible" that a loss has been incurred; however, no estimate of such loss can be made as of the date of the Company's financials. The ultimate resolution of these claims against the Company for which the potential loss could not be determined may materially affect the Company's financial condition or results of operations.

The Company was involved in a lawsuit with one of its franchisees as of December 31, 2023, 2022 and 2021 that originated in 2018. The Company's counsel and management believe that, while this lawsuit could have detrimental effects to the Company's franchise relationships if the plaintiff is successful, both believe the case is defensible on its merits. The outcome of this case is uncertain, but it is "reasonably possible" that a loss has been incurred; however, no estimate of such loss can be made as of the date of the Company's financials. The ultimate resolution of this claim against the Company for which the potential loss could not be determined may materially affect the Company's financial condition or results of operations.

The Company was involved in a lawsuit with a former employee as of December 31, 2023, and as of December 31, 2022, that originated in 2022. The Company's counsel and management believe that, while this lawsuit could result in a loss if the plaintiff is successful, no estimate of such loss can be made as of the date of the Company's financials. Both the Company's counsel and management believe that this case is defensible on its merits and, as such, the Company is prepared to vigorously defend the action.

**Note O – Evaluation of Subsequent Events**

The Company has evaluated subsequent events through March 26, 2024, the date the financial statements were available to be issued. According to management's evaluation, the following

Window World, Inc.  
Notes to Financial Statements  
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**Note O – Evaluation of Subsequent Events (Continued)**

subsequent events were noted that potentially could have a material impact on the Company's financial results:

In the first quarter of 2024, WW Management Services took over two failing franchised stores. As of March 26, 2024, it is reasonably possible that WW Management Services will incur losses in connection with the operation of these stores until a new franchise owner is found for them; however, the amount of such losses cannot be reasonably determined.

In March 2024, the Company opened a new line credit with a financial institution with an available credit line of \$2,500,000.

**Note P – Stock Redemption**

The Company redeemed 59,770 shares of the then 60,000 outstanding shares of stock from its then current shareholders in September 2007 in a complete liquidation of their current interest in the Company.

An amount of \$25,200,000 was paid to one of these former shareholders for her interest in the Company, comprising an installment note for the full amount of \$25,200,000 to be paid in monthly principal and interest payments of \$106,337. The interest rate is fixed at 2.0%.

On August 25, 2023, this former shareholder passed away. Since the terms of the installment note called for her to be paid for the remainder of her life, the Company's obligation under this note terminated with her passing. The balance on the note at the time of her passing, \$10,744,652, was removed from the Company's liabilities and credited to its Retained Earnings account.

**Note Q – Deferred Retention Income**

In December 2021, the Company entered into an agreement with a financial institution in regard to a private label credit card. The agreement specifies that a predetermined amount of business be generated for the financial institution over a 60-month period in return for an advance payment of \$5,000,000 that the Company received. This advance payment represents deferred retention income, and it is to be amortized over the 60-month contract term. On December 31, 2023, deferred retention income is \$3,000,000, and at December 31, 2022, it is \$4,000,000. Since the advance payment under this revised agreement was received in December 2021, there is deferred retention income on the books at December 31, 2021 in the amount of \$5,000,000.



Window World, Inc.  
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**Note R – In-house Software Development**

In 2018, the Company began development of a Customer Relationship Management (CRM) software package that will help its franchisees better organize and manage their sales leads and other customer data. Development of this package, which the Company calls 360 Software, intensified during 2019, with a team of employees and contractors working significant hours to write, test, and improve the core program.

Accounting principles generally accepted in the United States of America require wages, fees, and other costs of in-house core software development to be capitalized and depreciated over the expected economic life of the software package. The Company's management estimates 360 Software's economic life to be 10 years. Accordingly, these costs, which totaled \$509,944 and were capitalized on July 1, 2019, appear with the Company's other fixed assets on its December 31, 2023, 2022 and 2021 balance sheets, and are being depreciated over 10 years. Depreciation expense associated with these costs was \$50,994 per year for the years ended December 31, 2023, 2022 and 2021. The undepreciated amount of these costs was \$280,471 at December 31, 2023, \$331,465 at December 31, 2022, and \$382,459 at December 31, 2021.

**Note S - Marketing Allowance Program**

Prior to 2023, Window World, Inc.'s two largest vendors set aside a portion of their sales to Window World franchisees for use in marketing expenditures, the purpose of which was to promote the products offered to Window World. The vendors allocated their expenditures against this fund and the Company did the same. At the end of each fund year (March 31; the year is from calendar second quarter of one year to calendar first quarter of the next year), the company and the vendors met and reconciled their expenditures. If the reconciled total was less than the portion specified, the difference was paid to Window World, Inc.

For 2023, the program operates the same way, but additional vendors began participating in it, thus leading to an increase in the total allowance.

**Note T – Certain Leasing Arrangements with Entities under Common Control**

In accounting for the leasing arrangement between the Company and its landlord, who share the same owner, the Company has adopted the accounting alternative offered to private companies in FASB ASU 2018-17 for such leasing arrangements. Under this alternative, the Company does not consolidate the landlord's financial results with its own as a variable interest entity. Instead, the Company discloses the leasing arrangements for Perfect Investments, LLC and WTW Condos, LLC as related-party transactions. See Note J for this disclosure.



Window World, Inc.  
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**Note U – Mediation Settlement**

In 2022, the Company, upon the advice of its counsel, entered into a settlement agreement and mutual release whereby the Company paid \$125,000 to resolve a claim with one of its former franchisees that originated in 2021.

**Note V – New Accounting Guidance Implementation and Prior Year Corrections**

Effective January 1, 2023, the Company adopted Accounting Standards Update (ASU) 2016-13, *Measurement of Credit Losses on Financial Instruments*. The Company adopted this new guidance using the modified retrospective approach and made a cumulative effect adjustment to Retained Earnings as of January 1, 2021, the beginning of the earliest year presented in these comparative financial statements. The primary result of implementing this ASU is the adoption and calculation of an allowance for credit losses for the Company's accounts receivable.

Effective January 1, 2022 the Company changed its accounting method for leases as a result of implementing the requirements in FASB Topic 842, *Accounting for Leases*, using the modified retrospective transition method. There was no cumulative effect adjustment to the Company's balance sheet as of January 1, 2022.

The new lease guidance requires the recognition of a right of use asset and a lease liability for operating leases. The Company elected the package of practical expedients, which allowed, among other things, for not reassessing the lease classification or initial direct costs for existing leases. The Company has not elected the hindsight practical expedient.

As of January 1, 2022, approximately \$1,200,000 in operating lease right of use assets and corresponding lease liabilities were recognized. Adoption of the new guidance did not have a significant impact to the statement of income or statement of cash flows for the year ended December 31, 2022.

In implementing FASB Topic 842, an error was made which resulted in an \$11,358 understatement of operating lease right of use assets and a corresponding overstatement of expense. This error has been corrected and the comparative financial statements for the year ended December 31, 2022 have been adjusted to reflect this correction.

Also for the year ended December 31, 2022, the Company's management elected to have it pay state income tax on its earnings in twenty-five states. The Company then included these taxes as an expense on its income statement for 2022. However, subsequent accounting recommendations have stated that, because these taxes ultimately help shareholders (by allowing them to benefit from deducting these taxes when they otherwise would not be able to) and not the Subchapter S corporation itself, they should be treated as shareholder distributions rather than expenses of the Subchapter S corporation. Accordingly, the comparative financial statements for the year ended December 31, 2022 have been adjusted to reflect this change in treatment.

Window World, Inc.  
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**Note V – New Accounting Guidance Implementation and Prior Year Corrections (Continued)**

The following balance sheet and income statement line items for the year ended December 31, 2022 were affected by the implementation of ASU 2016-13 and these corrections:

*Balance Sheet*

	<u><b>After</b></u>	<u><b>Before</b></u>	<u><b>Effect of Change</b></u>
Accounts Receivable	\$ 5,809,736	\$ 5,815,286	\$ (5,550)
Operating Lease Right-of-Use Assets	841,051	829,693	11,358
Shareholder Distributions	11,491,664	10,802,115	689,549
Retained Earnings	27,155,841	27,165,841	(10,000)
Net Income	19,728,718	19,023,361	705,357

*Income Statement*

	<u><b>After</b></u>	<u><b>Before</b></u>	<u><b>Effect of Change</b></u>
Interest Expense	\$ 239,301	\$ 270,838	\$ (31,537)
Rental Expense	602,976	582,797	20,179
Bad Debt Expense	- 0 -	4,450	(4,450)
Pass-Through Entity Tax	- 0 -	689,549	(689,549)
Net Income	19,728,718	19,023,361	705,357

The following balance sheet line items for the year ended December 31, 2021 were affected by the implementation of ASU 2016-13:

*Balance Sheet*

	<u><b>After</b></u>	<u><b>Before</b></u>	<u><b>Change</b></u>
Accounts Receivable	\$ 7,014,234	\$ 7,024,234	\$ (10,000)
Retained Earnings	15,683,361	15,693,361	(10,000)

Window World, Inc.  
Notes to Financial Statements  
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**Note V – New Accounting Guidance Implementation and Prior Year Corrections (Continued)**

For the year ended December 31, 2021, there were no income statement line items affected by implementing ASU 2016-13.

**EXHIBIT D**  
**STATE-SPECIFIC ADDENDUM TO THE**  
**FRANCHISE AGREEMENT AND FRANCHISE DISCLOSURE DOCUMENT**

If any one of the following Riders to the Franchise Agreement for Specific States (“Riders”) is checked below, then that Rider shall be incorporated into the Franchise Agreement entered into by WINDOW WORLD, INC. and the undersigned Franchisee. To the extent any terms of a Rider conflict with the terms of the Franchise Agreement, the terms of the Rider shall supersede the terms of the Franchise Agreement.

<input type="checkbox"/>	California
<input type="checkbox"/>	Hawaii
<input type="checkbox"/>	Illinois
<input type="checkbox"/>	Maryland
<input type="checkbox"/>	Minnesota
<input type="checkbox"/>	New York
<input type="checkbox"/>	North Dakota
<input type="checkbox"/>	Rhode Island
<input type="checkbox"/>	South Dakota
<input type="checkbox"/>	Virginia
<input type="checkbox"/>	Washington
<input type="checkbox"/>	Indiana, Michigan, and Wisconsin

**WINDOW WORLD, INC.**

\_\_\_\_\_  
FRANCHISEE (Print Name)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**CALIFORNIA APPENDIX FOR OFFERINGS  
OF WINDOW WORLD FRANCHISES IN CALIFORNIA**

**If your franchise is located in California, the following will 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.

1. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [WWW.DFPI.CA.GOV](http://WWW.DFPI.CA.GOV).
2. No person or franchise broker listed 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.
3. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.
4. Item 17 Additional Paragraphs:
  - A. California Business and Professional Code Sections §§ 20000 through 20043 provide rights to the franchisee concerning the 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.
  - B. 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.).
  - C. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
  - D. The franchise agreement requires litigation to occur in the 23<sup>rd</sup> Judicial District in North Carolina with the costs being borne by each party, unless the disputed provision in the franchise agreement provides for payment by the losing party of the prevailing party's attorneys' fees and costs of litigation. This provision may not be enforceable under California law.
  - E. The franchise agreement requires application of the laws of North Carolina. This provision may not be enforceable under California law.
5. Item 19 Additional Paragraph:

The financial performance representations do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

6. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as business and Professions Code § 20040.S, Code of Civil Procedures 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.

7. 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.

8. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

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.

## CALIFORNIA ADDENDUM TO THE FRANCHISE AGREEMENT

Window World, Inc. and the undersigned franchisee have entered into a Window World franchise agreement ("Franchise Agreement") and desire to amend its terms as set forth below. The parties hereto agree as follows:

1. The following statement is hereby added to 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.

IN WITNESS WHEREOF, the parties hereto have caused this addendum to be duly signed as of

\_\_\_\_\_.

WINDOW WORLD, INC.

\_\_\_\_\_  
FRANCHISEE (Print Name)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Items 5 and 7 of the Franchise Disclosure Document and the Franchise Agreement are revised to include the following statement:

The Hawaii Department of Commerce and Consumer Affairs requires us to defer payment of the initial franchise fee and all other initial payments owed by you to us until we have completed our pre-opening obligations under the Franchise Agreement and your franchised business is open for business. Therefore, the Franchise Agreement is hereby amended for Hawaii franchisees to defer payment of the initial franchise fee until we have completed our pre-opening obligations under the franchise agreement and your franchise is open for business.

The Franchise Disclosure Document and Franchise Agreement are revised to include the following: 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.



WINDOW WORLD, INC.

\_\_\_\_\_  
FRANCHISEE (Print Name)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## ILLINOIS

**The Disclosure Document and the Franchise Agreement are amended to include the following:**

Illinois law governs the Franchise Agreement(s).

In conformance with 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.

Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with 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.

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 this franchise system, the "royalties" paid are derived from the funds paid to designated suppliers for purchases made of products or services. These "royalties" are the Franchisor's primary source of revenue.

You must honor Labor and Warranty policies in this franchise system. This means that you may be responsible for all labor and costs associated with certain repairs in your Territory that are required under the labor guarantees, even if you did not procure the original sale.

You must commence business operations within 90 days of signing your Franchise Agreement.

The Franchisor may discontinue any or all segments of its online presence for the Window World system at any time WITHOUT NOTICE to you.

AGREED:

WINDOW WORLD, INC.

\_\_\_\_\_  
FRANCHISEE (Print Name)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MARYLAND**  
**Disclosure Document Addendum**

1. Item 17 is revised to provide that, a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
2. Item 17(c) (renewal) and 17(m) (transfer) are revised to provide that the requirement to sign a general release as a condition of renewal or consent to an assignment, or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
3. Item 17 is revised to provide that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
4. Item 17 is revised to provide that a provision in the franchise agreement which terminates the franchise upon the bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101, but we intend to enforce it to the extent enforceable.
5. The disclosure document is revised to include the following: 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.

**Franchise Agreement Addendum**

1. Sections 14(a) and 14(c) of the Agreement are revised to provide that termination upon bankruptcy might not be enforceable under the U.S. Bankruptcy Act, but we intend to enforce it to the extent enforceable.
2. Sections 2(b) and 11(d) of the Agreement are revised to provide that the requirement to sign a general release as a condition of renewal or consent to an assignment, or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
3. Section 18(g) of the Agreement is revised to include the following language:

“Notwithstanding the provisions of this Agreement to the contrary, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.”
4. Each provision of this Addendum to the Franchise Agreement shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.
5. The Agreement is revised to include the following: 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.

6. The following terms apply to all Agreements contained herein:

All representations Agreement 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.

7. The following provisions of the Agreement are deleted:

- a. The following language in Section 4(c); “IF FRANCHISEE BELIEVES FRANCHISOR HAS FAILED TO ADEQUATELY PROVIDE ANY PRE-OPENING OR OPENING PRODUCTS OR SERVICES TO FRANCHISEE, FRANCHISEE MUST NOTIFY FRANCHISOR IN WRITING WITHIN THIRTY (30) DAYS FOLLOWING THE OPENING OF THE FRANCHISED BUSINESS OR FRANCHISEE WILL BE DEEMED TO CONCLUSIVELY ACKNOWLEDGE THAT ALL PRE-OPENING AND OPENING PRODUCTS AND SERVICES REQUIRED TO BE PROVIDED BY FRANCHISOR WERE SUFFICIENT AND SATISFACTORY, AND COMPLIED WITH ALL REPRESENTATIONS MADE TO FRANCHISEE. IF FRANCHISEE FAILS TO SO NOTIFY FRANCHISOR, FRANCHISEE WILL BE DEEMED TO HAVE WAIVED ALL CLAIMS RELATING TO OR ARISING FROM FRANCHISOR’S OBLIGATIONS TO PROVIDE PRE-OPENING OR OPENING PRODUCTS OR SERVICES.”
- b. The following language in Section 6(b): “FRANCHISEE EXPRESSLY ACKNOWLEDGES AND AGREES THAT FRANCHISOR’S ACCEPTANCE OF ANY PREMISES IS NOT AND SHALL NOT BE CONSTRUED AS A GUARANTEE OR ASSURANCE THAT THE FRANCHISED BUSINESS WILL BE PROFITABLE. Franchisee hereby acknowledges and agrees that Franchisor’s acceptance of a Premises does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of each Premises for the Franchised Business or for any other purpose.”
- c. The following language in Section 6(b): “Franchisee further acknowledges and agrees that selection of a Premises is based on its own independent investigation of the suitability of each Premises.”
- d. The following language in Section 8(f): “Franchisor expressly disclaims and Franchisee hereby acknowledges that Franchisee has not received or relied upon any warranty regarding the success of any advertising plans or materials recommended by Franchisor for use by Franchisee.
- e. All of the language in Section 17(h): “FRANCHISEE ACKNOWLEDGES THAT IT HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE PROPOSED FRANCHISE AND RECOGNIZES THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS AND THAT ITS SUCCESS WILL BE LARGELY

DEPENDENT UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS OWNER OR BUSINESS. FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY WARRANTY, OR GUARANTEE, OR REPRESENTATION OTHER THAN AS SET FORTH IN THE DISCLOSURE DOCUMENT, EXPRESS OR IMPLIED, FROM ANY EMPLOYEE OR AGENT OF FRANCHISOR AS TO THE POTENTIAL SALES VOLUMES, PROFITS, OR LEVEL OF SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT. FRANCHISOR HAS NOT REPRESENTED THAT (I) FRANCHISEE WILL EARN, CAN EARN, OR IS LIKELY TO EARN A GROSS OR NET PROFIT, (II) FRANCHISOR HAS KNOWLEDGE OF THE RELEVANT MARKET, OR (III) THE MARKET DEMAND WILL ENABLE FRANCHISEE TO EARN A PROFIT FROM THE FRANCHISED BUSINESS. FRANCHISEE ACKNOWLEDGES THAT IT RECEIVED A COPY OF THE COMPLETE FRANCHISOR’S FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, THE ATTACHMENTS THERETO, AND THE AGREEMENTS RELATED THERETO, IF ANY, AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS SIGNED OR CONSIDERATION PAID.”

AGREED:

WINDOW WORLD, INC.

\_\_\_\_\_  
FRANCHISEE (Print Name)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## MINNESOTA

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

### Disclosure Document:

1. Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. We will comply with the Minn. Stat. Sec. 80C.14, Suds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Agreement.

3. Item 13 is revised to include the following language:

“To the extent required by the Minnesota Franchises Act, we will protect your rights to use the Trademarks, service marks, trade names, logo types or other commercial symbols related to the Trademarks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Trademarks.”

4. Items 17(c) and 17(m) are revised to provide that we cannot require you to sign a release of claims under the Minnesota Franchises act as a condition to renewal or assignment.

5. We are prohibited from requiring you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

6. Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of Minnesota Statutes, Chapter 80C are met independently without reference to this Addendum.

7. 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.

#### Franchise Agreement:

1. Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. We will comply with Minn. Stat. sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specific cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Agreement.

3. The Franchise Agreement is revised to include the following:

- a. "To the extent required by the Minnesota Franchises Act, we will protect your right to use the Trademarks, service marks, trade names, logo types or other commercial symbols, or indemnify you from any loss, costs, or expenses arising out of any claim, suit or demand regarding the use of the name."
- b. We are prohibited from requiring you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.
- c. We are prohibited by Minnesota Rule 2860.4400J from requiring you to waive your rights to a jury trial and any provision in the franchise agreement requiring such a waiver is hereby deleted.
- d. 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.

4. Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of Minnesota Statutes, Chapter 80C are met independently without reference to this Addendum.

AGREED:

WINDOW WORLD, INC.

\_\_\_\_\_  
FRANCHISEE (Print Name)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## NEW YORK

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 E OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN 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 WHICH 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:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive

or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. The following is added to the franchise disclosure document:

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.

## NEW YORK ADDENDUM TO THE FRANCHISE AGREEMENT

Window World, Inc. and the undersigned franchisee have entered into a Window World franchise agreement ("Franchise Agreement") and desire to amend its terms as set forth below. The parties hereto agree as follows:

1. The following statement is hereby added to 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.

IN WITNESS WHEREOF, the parties hereto have caused this addendum to be duly signed as of

\_\_\_\_\_.

WINDOW WORLD, INC.

\_\_\_\_\_  
FRANCHISEE (Print Name)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **NORTH DAKOTA**

### **Disclosure Document**

Item 17 of the Disclosure Document is revised to provide that:

17.c: Section 51-19-09 of the North Dakota Franchise Investment Law prohibits a franchisee to assent to a general release. To the extent any such general release is purported to be required by us, it is void with respect to all franchisees governed under the laws of North Dakota.

17.r: Covenants not to compete are generally considered unenforceable in the State of North Dakota and may be subject to Section 9-08-06 of the North Dakota Century Code.

17.u: The site of arbitration or mediation will be a location mutually agreed upon by the parties.

17.v: The North Dakota Securities Commissioner prohibits us from requiring you to consent to the jurisdiction of courts located outside of North Dakota. To the extent any such release is purported to be required by us, it is void with respect to all franchisees governed under the laws of North Dakota.

17.w: North Dakota law applies to your agreements with us.

The disclosure document is revised to provide the following:

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.

### **Franchise Agreement**

Franchise Agreement Section 2(b) and 11(d) are revised to provide:

The North Dakota Securities Commissioner prohibits us from requiring you to sign a general release upon renewal of your franchise. To the extent any such release is purported to be required by us, it is void with respect to all franchisees governed under the laws of North Dakota.

Franchise Agreement Section 12 is revised to provide:

Covenants not to compete are generally considered unenforceable in the State of North Dakota and may be subject to Section 9-08-06 of the North Dakota Century Code.

Franchise Agreement Sections 18(a) and (g) are revised to provide:

The site of arbitration or mediation will be a location mutually agreed upon by the parties. The North Dakota Securities Commissioner prohibits us from requiring you to consent to the jurisdiction of courts located outside of North Dakota. To the extent any such release is purported to be required by us, it is void with respect to all franchisees governed under the laws of North Dakota.

Section 18(g) of the Franchise Agreement is revised to provide:

This Agreement will be construed according to the laws of North Dakota to the extent required by North Dakota law.

The Statute of Limitations on claims will be determined based upon North Dakota law.

The Franchise Agreement is revised to provide:

The North Dakota Securities Commissioner prohibits us from requiring you to consent to a waiver of consequential, exemplary and punitive damages. To the extent any such a waiver is purported to be required by us, it is void with respect to all franchisees governed under the laws of North Dakota.

The North Dakota Securities Commissioner prohibits us from requiring you to consent to a waiver of your right to a jury trial. To the extent any such a waiver is purported to be required by us, it is void with respect to all franchisees governed under the laws of North Dakota.

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 have caused this addendum to be duly signed as of \_\_\_\_\_.

WINDOW WORLD, INC.

\_\_\_\_\_  
FRANCHISEE (Print Name)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **RHODE ISLAND**

### **Disclosure Document**

Item 17 of the Disclosure Document is revised to provide that:

17.m: Section 19-28.1-14 of the Rhode Island Franchise Investment Act prohibits a franchisee to be restricted in choice of jurisdiction or venue. To the extent any such restriction is purported to be required by us, it is void with respect to all franchisees governed under the laws of Rhode Island.

17.w: Rhode Island law applies.

The Disclosure Document is revised to provide that:

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.

### **Franchise Agreement**

Section 18(g) of the Franchise Agreement is revised to provide:

This Agreement will be construed according to the laws of Rhode Island to the extent required by Rhode Island law.

The Franchise Agreement is revised to provide that:

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.

WINDOW WORLD, INC.

\_\_\_\_\_  
FRANCHISEE (Print Name)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## SOUTH DAKOTA

Item 5 of the Franchise Disclosure Document and the Franchise Agreement are revised to include the following statement:

Pursuant to SDCL 37-5B-5, the South Dakota Division of Insurance requires us to defer payment of the initial franchise fee and other initial payments owed by you to us until we have completed our pre-opening obligations under the Franchise Agreement. Therefore, the Franchise Agreement is hereby amended for South Dakota franchisees to defer payment of the initial franchise fee until we have completed our pre-opening obligations under the franchise agreement.

The Franchise Disclosure Document and the Franchise Agreement are revised to include the following statement:

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.

WINDOW WORLD, INC.

\_\_\_\_\_  
FRANCHISEE (Print Name)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



## VIRGINIA

### Disclosure Document

The following statements are added to Item 17.h.

Pursuant 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.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

The following statement is added to Section 3(a)(i) of the Franchise Agreement and to Item 5 of the Disclosure Document:

**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.**

The following is added to the Disclosure Document:

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 THE FRANCHISE AGREEMENT

Window World, Inc. and the undersigned franchisee have entered into a Window World franchise agreement ("Franchise Agreement") and desire to amend its terms as set forth below. The parties hereto agree as follows:

2. The following statement is hereby added to 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.

IN WITNESS WHEREOF, the parties hereto have caused this addendum to be duly signed as of

\_\_\_\_\_.

WINDOW WORLD, INC.

\_\_\_\_\_  
FRANCHISEE (Print Name)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**WASHINGTON**  
**WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT,**  
**FRANCHISE AGREEMENT, AND RELATED AGREEMENTS**

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.

The undersigned does hereby acknowledge receipt of this addendum.

Agreed to this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

WINDOW WORLD, INC.

FRANCHISEE

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**INDIANA, MICHIGAN, AND WISCONSIN ADDENDUM TO  
THE DISCLOSURE DOCUMENT**

The following provision is added to the Disclosure Document:

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.

**INDIANA, MICHIGAN, AND WASHINGTON ADDENDUM TO  
FRANCHISE AGREEMENT**

Window World, Inc. and the undersigned franchisee have entered into a Window World franchise agreement ("Franchise Agreement") and desire to amend its terms as set forth below. The parties hereto agree as follows:

1. The following statement is hereby added to 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.

IN WITNESS WHEREOF, the parties hereto have caused this addendum to be duly signed as of \_\_\_\_\_.

WINDOW WORLD, INC.

\_\_\_\_\_  
FRANCHISEE (Print Name)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT E**  
**STATE AND FEDERAL REGULATORY AUTHORITIES**

**FEDERAL TRADE COMMISSION**

Franchise Rule Coordinator  
Federal Trade Commission Division of Marketing Practices  
Pennsylvania Avenue at Sixth Street, N.W., Room 238  
Washington, D.C. 20580  
Telephone: (202) 326-2970

**STATE FRANCHISE REGULATORS AND AGENTS FOR SERVICE OF PROCESS**

**CALIFORNIA:**

Commissioner of Financial Protection & Innovation  
Department of Financial Protection and Innovation  
320 West 4th St., Ste. 750  
Los Angeles, California 90013  
Telephone: (213) 576-7500 or  
Toll Free Telephone: (866) 275-2677

**HAWAII:**

Commissioner of Securities  
of the State of Hawaii  
Department of Commerce and  
Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, HI 96813  
Telephone: (808) 586-2722

**ILLINOIS (Registered Agent):**

Tanya Solov, Director of Securities  
Office of the Secretary of State  
Securities Department  
69 West Washington Street, Suite 1220  
Chicago, IL 60602  
Telephone: (312) 793-3884

**ILLINOIS (Regulatory Authority):**

Kwame Raoul  
Illinois Attorney General  
500 South Second Street  
Springfield, Illinois 62706  
Telephone: (217) 782-4465

**INDIANA:**

Chris Naylor, Securities Commissioner  
Franchise Section  
Indiana Securities Division  
Secretary of State  
Room E-111  
302 West Washington Street  
Indianapolis, IN 46204  
Telephone: (317) 232-6681

**MARYLAND (Registered Agent):**

Maryland Securities Commissioner  
200 St. Paul Place  
Baltimore, Maryland 21202-2020  
Telephone: (410) 576-6360

**MARYLAND (Regulatory Authority):**

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

**MICHIGAN (Regulatory Authority):**

Consumer Protection Division  
Antitrust and Franchise Unit  
Michigan Department of Attorney General  
525 W. Ottawa Street  
Lansing, MI 48909  
Telephone: (517) 373-1152

MICHIGAN (Registered Agent):  
Linda Cena, Securities Director  
Office of Financial & Insurance Regulation  
525 West Allegan  
1st Floor Constitution Hall  
Lansing, MI 48909  
Telephone: (517) 241-6345

MINNESOTA:  
Minnesota Dept. of Commerce  
Securities-Franchise Registration  
85 7<sup>th</sup> Place East, Suite 280  
Saint Paul, MN 55101-2198  
Telephone: (651) 539-1500

NEW YORK (Administrator/Regulatory Authority)  
New York State Department of Law  
Investor Protection Bureau  
28 Liberty St., 21<sup>st</sup> Floor  
New York, NY 10005  
Telephone: (212) 416-8222

NEW YORK (Agent for Service of Process)  
Secretary of State  
99 Washington Avenue  
Albany, NY 12231

NORTH DAKOTA:  
North Dakota Securities Department  
Fifth Floor State Capitol, Dept. 414  
600 East Boulevard  
Bismarck, ND 58505-0510  
Telephone: (701) 328-2910

RHODE ISLAND:  
Division of Securities  
1511 Pontiac Ave, Bldg 69-1  
John O. Pastore Complex  
Cranston, RI 02920  
Telephone: (401) 222-3048

SOUTH DAKOTA:  
Division of Insurance  
Securities Regulation  
124 S. Euclid, Ste. 104  
Pierre, SD 57501  
Telephone: (605) 773-3563

VIRGINIA (Registered Agent):  
Clerk of the State Corporation Commission  
1300 East Main Street, 1st Floor  
Richmond, Virginia 23219  
Telephone: (804) 371-9733

VIRGINIA (Regulatory Authority)  
State Corporation Commission,  
Division of Securities and Retail Franchising  
1300 East Main Street, 9th Floor  
Richmond, Virginia 23219  
Telephone: (804) 371-9051

WASHINGTON:  
Address for Service of Process:  
Department of Financial Institutions  
Securities Division  
150 Israel Road, SW  
Tumwater, WA 98501  
Telephone: (360) 902-8760

Mailing Address:  
Department of Financial Institutions  
Securities Division  
PO Box 41200  
Olympia, WA 98504-1200

WISCONSIN:  
Franchise Office  
Wisconsin Securities Commission  
P.O. Box 1768  
Madison, WI 53701  
Telephone: (608) 266-3364



EXHIBIT F  
**PROSPECTIVE FRANCHISEE CONFIDENTIALITY/  
NON-DISCLOSURE AGREEMENT**

This Agreement, made and entered into as of \_\_\_\_\_ by and between WINDOW WORLD, INC., a North Carolina corporation (hereinafter referred to as “Window World”) and \_\_\_\_\_, whose address is \_\_\_\_\_ (hereinafter referred to as “Prospective Franchisee”).

WHEREAS, Prospective Franchisee desires to obtain certain confidential and proprietary information from Window World, for the sole purpose of inspecting and analyzing said information in an effort to determine whether to purchase a Window World franchised business from Window World; and

WHEREAS, Window World, is willing to provide such information to Prospective Franchisee for the limited purpose and under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and promises herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereby agree as follows:

1. **DEFINITION.** “Confidential Information” is used herein to mean all information, documentation and devices disclosed to or made available to Prospective Franchisee by Window World, whether orally or in writing, as well as any information, documentation or devices heretofore or hereafter produced by Prospective Franchisee in response to or in reliance on said information, documentation and devices made available by Window World, including financial information, the Manuals, and information not known in the trade or to the public.

2. **TERM.** The parties hereto agree that the restrictions and obligations of Section 4 of this Agreement shall be deemed to have been in effect from \_\_\_\_\_, the day that the Prospective Franchisee and Window World commenced ongoing negotiations, and continue in perpetuity until the Confidential Information is disclosed to the public by Window World.

3. **TRADE SECRET ACKNOWLEDGEMENT.** Prospective Franchisee acknowledges and agrees the Confidential Information is a valuable trade secret of Window World, and that any disclosure or unauthorized use thereof will cause irreparable harm and loss to Window World.

4. **TREATMENT OF CONFIDENTIAL INFORMATION.** In consideration of the disclosure to Prospective Franchisee of Confidential Information, Prospective Franchisee agrees to treat Confidential Information in confidence and to undertake the following additional obligations with respect thereto:

(a) Not to use Confidential Information for any purposes whatsoever, other than for the sole purpose of inspecting and analyzing the information in an effort to determine whether to

purchase a franchise from Window World, and solely in its operation of a Window World franchised business;

(b) Not to disclose Confidential Information to any third party;

(c) Not to disclose Confidential Information other than to only those of Prospective Franchisee's officers, directors and employees who have a need to know to perform the limited tasks set forth in Section 4(a) above; and who have agreed to the terms and obligations of this Agreement by affixing their signatures hereto;

(d) Not to copy Confidential Information or any portions thereof; and

(e) To return Confidential Information and all documents, notes, digital files, or physical evidence thereof, to Window World, upon a determination that Prospective Franchisee no longer has a need therefor, or a request therefor, from Window World, whichever occurs first.

**5. SURVIVAL OF OBLIGATIONS.** The restrictions and obligations of this Agreement shall survive any expiration, termination or cancellation of this Agreement and shall continue to bind Prospective Franchisee, his heirs, successors and assigns in perpetuity.

**6. LIQUIDATED DAMAGES.** Prospective Franchisee stipulates, agrees and acknowledges that if Prospective Franchisee breaches the terms of this Agreement, it will be impossible to measure the extent of damage that such breach will cause Window World. Therefore, the parties agree that upon breach by Prospective Franchisee of any of the terms set forth herein, Window World shall be entitled to recover the amount of One Hundred Thousand Dollars (\$100,000.00) as liquidated damages for the Prospective Franchisee's breach. Prospective Franchisee further agrees that such an amount of liquidated damages is fair and reasonable given the sensitivity and proprietary nature of the Confidential Information and the harm such breach will cause to Window World.

**7. EQUITABLE RELIEF.** Prospective Franchisee acknowledges that the Confidential Information to be disclosed to Prospective Franchisee is of a sensitive and proprietary character and the breach of any provision of this Agreement will cause Window World irreparable damage and injury. Window World shall be entitled, in addition to all other remedies available to it, to injunctive and equitable relief to prevent a breach of any part of this Agreement or to enforce any part of this Agreement.

**8. NEGATION OF LICENSES.** Except as expressly set forth herein, no rights to licenses, expressed or implied, are hereby granted to Prospective Franchisee as a result of or related to this Agreement.

**9. ATTORNEYS' FEES.** In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall

recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

**10. GOVERNING LAW.** This Agreement shall be deemed executed in the State of North Carolina regardless of actual place of signature or of the actual place of performance. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina. Prospective Franchisee hereby submits himself or herself to the jurisdiction of the courts of the State of North Carolina and agrees that the Courts of the 23rd judicial district for the state of North Carolina shall have exclusive personal and subject matter jurisdiction of any dispute between Window World and Prospective Franchisee relating to this Agreement.

In witness whereof, the parties hereto have caused this Agreement to be duly executed under seal.

**Franchisor:**

WINDOW WORLD, INC.

BY: \_\_\_\_\_  
Tammy Whitworth, Chief Executive Officer

**Prospective Franchisee(s):**

\_\_\_\_\_  
Print name: \_\_\_\_\_

\_\_\_\_\_  
Print name: \_\_\_\_\_

\_\_\_\_\_  
Print name: \_\_\_\_\_

EXHIBIT G  
**800 RESPONSE AGREEMENT**

<b>1. Service</b> <input checked="" type="checkbox"/> New Service <input type="checkbox"/> Change to Service <b>2. Customer Billing Information</b> Customer _____ Billing Address _____ City _____ State _____ Zip _____ Phone _____ Extension _____ Cellular Phone _____ Fax _____ Contact _____ Title _____ E-mail _____ URL _____ <b>3. Executive Management Contact</b> Company _____ Address _____ City _____ State _____ Zip _____ Phone _____ Extension _____ Cellular Phone _____ Fax _____ Contact _____ Title _____ E-mail _____ URL _____ <b>4. Advertising Agent</b> Company NONE Address _____ City _____ State _____ Zip _____ Phone _____ Extension _____ Cellular Phone _____ Fax _____ Contact _____ Title _____ E-mail _____ <b>5. Referral Agent</b> Company NONE Contact _____ Address _____ City _____ State _____ Zip _____ Phone _____ Extension _____ Cellular Phone _____ Fax _____ E-mail _____		<b>6. Services &amp; Fees</b> <b>Package Features</b> <input type="checkbox"/> CallFinder <input type="checkbox"/> Consumer Profiles <input checked="" type="checkbox"/> Call Recording <input checked="" type="checkbox"/> Repeater Numbers: 4 <input checked="" type="checkbox"/> Transcription <input type="checkbox"/> Local Tracking #'s: <input checked="" type="checkbox"/> Missed Call Monitor <input checked="" type="checkbox"/> Advanced Routing <input type="checkbox"/> Cell Phone Smart Routing <input type="checkbox"/> CRM Feed <input type="checkbox"/> Addresses & Demographics <input type="checkbox"/> Minutes: _____ <b>Package Fees</b> <b>Set-up</b> <b>Monthly</b> A. Platinum Package: _____    \$25.00    \$46.78 <i>Includes Features Marked With (X)</i> <b>Miscellaneous Services</b> B. Expedite: _____ C. Other: _____ D. CallFinder _____ <b>Totals:</b> \$25.00    \$46.78 <b>7. Toll Free Arrangements</b> <input checked="" type="checkbox"/> New <input type="checkbox"/> Change A. Custom 800 #: 800-NEXT-WINDOW B. Ring-to #: _____ C. _____ Area Codes: _____ Per Lead Account to Us _____ D. Call Recording: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <b>8. ESP &amp; Trademark</b> A. Service Mark: 1-800-NEXT-WINDOW B. ESP: Retail Advertising Trends, LC C. US Registration No. 4044001    Date 10/25/2011 D. <input checked="" type="checkbox"/> License <input type="checkbox"/> Covenant (for use with marquis) <b>9. Addenda</b> <input type="checkbox"/> Additional Service Locations <input type="checkbox"/> Term Plan <input checked="" type="checkbox"/> Additional Number Arrangements <input checked="" type="checkbox"/> Third Party Consent <input type="checkbox"/> Enhanced Call Handling <input checked="" type="checkbox"/> MLSA <input checked="" type="checkbox"/> Call Recording <input type="checkbox"/> Reporting Access <input type="checkbox"/> CallFinder <input type="checkbox"/> Canadian Service <input type="checkbox"/> Other
<b>FOR OFFICE USE ONLY:</b> 800 Response/ESP Authorized Signature: _____ Date: _____ <b>Notes:</b> Master Account# 867281		

**Authorization:** By its signature below, the Customer identified in Section 2 above acknowledges that it has read, understands, and agrees to be bound by the attached terms and conditions, the Trademark Addendum appended hereto, and any Addenda referenced in Section 9 above. Customer acknowledges that with respect to Custom 800 and Repeater Numbers, this order is for Shared Use 800 and associated Enhanced Services, and that the ESP as the 800 Service End-User Subscriber, and not the Customer, shall have the exclusive right to select the long distance carrier and to change routing arrangements and/or the RESP ORG. This application by Customer is contingent upon processing by 800 Response and the ESP, and does not become a binding agreement until accepted by 800 Response and the ESP in South Burlington, VT, through an authorized signature in the box above.

**Print Name:** \_\_\_\_\_ **Title:** \_\_\_\_\_  
**Authorized Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_ **Account Mgr.:** \_\_\_\_\_



## TERMS AND CONDITIONS

The following terms and conditions govern the provision to the Customer identified on the Service Order Form to which these Terms and Conditions are appended ("Customer" and "SOF" respectively) of (a) toll free and Shared Use 800 service by 800 Response Information Services LLC ("800 RIS"), (b) any trademark license or covenant not to sue granted by the Enhanced Service Provider ("ESP"), which controls the Custom 800 Number(s) identified on the SOF, and (c) enhanced information, routing, billing and support services provided by 800 Response Marketing LLC ("800 RM"), which has been authorized by 800 RIS and the ESP to accept this order on their behalf. 800 RIS and 800 RM are referred to herein, collectively, as "800 Response."

1. Customer hereby subscribes to 800 RIS's Shared Use 800 Service for the toll free numbers identified in the SOF and the applicable addenda ("Toll Free Number") pursuant to 800 RIS's standard rates, terms and conditions of service, as posted on its Internet site, [www.800response.com](http://www.800response.com) and any applicable state tariff. Federal, state, and local sales, use, excise and gross receipts taxes and surcharges in respect of taxes, as applicable, shall be added to the referenced rates. The charges for Shared Use 800 Service include Resp Org services provided to the ESP by 800 Response. Invoices are payable upon receipt.

2. In conjunction with the order for Shared Use 800 Service, Customer hereby subscribes to the services offered by the ESP and 800 RM (collectively, "Enhanced Services") at the rates specified on the SOF. An Enhanced Services fee equivalent to one-half of the 800 RIS per minute rate is charged for real-time reporting of incomplete calls. To enable such reporting, an Enhanced Services fee equal to the 800 RIS per minute rate applies to the period commencing when a call reaches the 800 RIS switching platform and ending when the call is terminated to the Customer's location. If Customer has authorized the entity designated on the SOF as its "Advertising Agent" and/or "Referral Agent" to access reports on-line, Customer hereby authorizes 800 Response to provide such entity with access to its Customer Proprietary Network Information ("CPNI"), including call records. Customer authorizes the Billing and Executive Management Contacts (Sections 2 and 3 of the SOF) to act on its behalf under this Agreement.

3a. For Custom 800 and Repeater Numbers: (i) Customer acknowledges that, at the request of the ESP, 800 RIS provides toll free service to other end users using such numbers and that calls to such numbers will only be terminated to Customer if they originate in the NPAs (area codes) identified on the SOF ("Service Territory"); (ii) Customer hereby acknowledges that service to such numbers will be provided on the basis of Shared Use, as defined in Section 2.2 of the OFB Industry Guidelines for 800 Number Administration ("Guidelines") and; (iii) the ESP, and not the Customer, shall be the 800 Service End-User Subscriber for purposes of the SMS Database, and shall have the exclusive right to select the long distance carrier and to change routing arrangements and/or the RESP ORG.

b. Customer further acknowledges that due to technical constraints calls placed to the Toll Free Number from cellular phones and other wireless devices may not be completed if more than 10 digits are dialed by the caller, and that if completed (whether by dialing 10 digits or more), the call may not be routed based on the telephone number of the caller, and the area code (NPA) of the caller may be incorrectly identified on the call record.

c. Customer agrees that 800 RIS and the ESP may, upon 90 days notice, change any or all Repeater Numbers assigned to Customer pursuant to this Agreement. In such event, 800 RIS shall activate the replacement Repeater Numbers at least 60 (sixty) days prior to the change date at no cost to the Customer.

d. Should service on any Customer Number be cancelled or terminated, Customer shall be responsible for making the necessary arrangements to transfer the toll free service to another provider. If Customer has not transferred service on a cancelled or terminated Customer Number within 45 days of the effective date of the cancellation or termination, 800 RIS shall return the number to the SMS 800 Database, and Customer will risk loss of the number to another subscriber.

4a. Upon receipt of a written, verbal or electronic request from Customer, 800 Response may in its sole discretion, process changes to service features, service territory, ancillary services, or toll free arrangements (including changes to the ESP(s)) to this Agreement provided such ESP(s) consent thereto.

b. In the event of a split or overlay of an area code in the Service Territory, the ESP will decide whether to require inclusion of the new area code in the Customer's Enhanced Services arrangement. If the new area code is included, the ESP may, in its sole discretion, adjust its fees accordingly. If the new area code is not included, Customer will, for a period of at least 30 days, be offered the opportunity to expand the Service Territory to include the new area code.

c. If the Customer is paying the per minute usage fees, and another entity is paying the fees for the services identified in Section 6 of the SOF, the other entity, in its sole discretion, shall be entitled to change the "Ring To" number, terminating service to the Customer's location and this Agreement with no advance notice. If service to the other entity is terminated, 800 Response shall be entitled to terminate service to Customer with no advance notice.

d. If Customer is an advertising agency or other entity subscribing to the Enhanced Services for the purpose of routing calls on the Toll Free Number to or for another party ("Client") or its agent (including Customer), the ESP and 800 Response may, upon receiving notice of termination of this Agreement by Customer, offer service on the Toll Free Number directly to Client and, if determined by 800 Response to be necessary to transition the service arrangements to Client without any interruption to Client's beneficial use of the Toll Free Number, terminate this Agreement on less notice than otherwise required.

5. By offering Enhanced Services and Shared Use 800 services to Customer, neither the ESP nor 800 Response makes any representation or warranty regarding the availability for use or registration, as a trademark, of any mnemonic which corresponds, in whole or in part, to the assigned Toll Free Number, nor does either make any recommendation or representation to Customer whether to use or register any such mnemonic. Consequently, neither the ESP nor 800 Response shall be liable for any claim arising out of Customer's use of any mnemonic corresponding to the assigned Toll Free Number, from Customer's use and/or promotion of the assigned Toll Free Number, or for any acts by and/or on behalf of Customer, including, but not limited to, any claim of product liability, trademark infringement, unfair competition or the like. Customer shall indemnify the ESP and 800 Response for any costs incurred as a result of any such claim, including reasonable attorneys' fees.

6. In the event suit is brought, or an attorney is retained by the ESP or 800 Response, to collect any moneys due hereunder, the ESP and 800 Response shall be entitled to recover, in addition to any other remedy, reimbursement for reasonable attorneys' fees, court costs, reasonable costs of investigation and other related expenses incurred in connection therewith.

7. The liability of 800 Response and the ESP with respect to the provision of services pursuant to this Agreement shall be limited by any applicable intrastate tariff. For interstate service, and intrastate service in the event there is no applicable intrastate tariff, 800 Response's and the ESP's liability for damages resulting in whole or part from or arising in connection with the furnishing of

service hereunder, including but not limited to mistakes, omissions, interruptions, delays, errors or other defects or representations, shall not exceed an amount equal to the charge for the affected call. 800 Response shall have no liability for actions or omissions of the ESP. Customer's sole remedy in respect of any liability created by the action or omission of the ESP shall be against the ESP. Neither the ESP nor 800 Response shall be liable for damages resulting from any change beyond their control to toll free dialing requirements, including implementation of 11 or 12 digit dialing. IN NO EVENT SHALL THE ESP OR 800 RESPONSE BE LIABLE TO CUSTOMER OR ANY OTHER PERSON, FIRM, OR ENTITY IN ANY RESPECT, WITHOUT LIMITATION, FOR DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL, ACTUAL, PUNITIVE OR ANY OTHER DAMAGES, OR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER, ARISING OUT OF MISTAKES, ACCIDENTS, ERRORS, OMISSIONS, INTERRUPTIONS, OR DEFECTS IN TRANSMISSION, OR DELAYS, INCLUDING THOSE WHICH MAY BE CAUSED BY REGULATORY OR JUDICIAL AUTHORITIES, IN CONNECTION WITH THE SERVICES TO BE PROVIDED BY THE ESP OR 800 RESPONSE OR THE OBLIGATIONS OF THE ESP OR 800 RESPONSE PURSUANT TO THIS AGREEMENT. 800 RESPONSE AND THE ESP MAKE NO WARRANTY, WHETHER EXPRESS, IMPLIED, OR STATUTORY, AS TO THE DESCRIPTION, QUALITY, MERCHANTABILITY, INFRINGEMENT, COMPLETENESS OR FITNESS FOR ANY PURPOSE OF THE SERVICE PROVIDED HEREUNDER OR DESCRIBED HEREIN, OR AS TO ANY OTHER MATTER, ALL OF WHICH WARRANTIES BY THE ESP AND 800 RESPONSE ARE HEREBY EXCLUDED AND DISCLAIMED. Neither the ESP nor 800 Response shall be liable for any failure of performance due to causes beyond their control, including, but not limited to, acts of god, fires, floods, or other catastrophes, national emergencies, insurrections, riots or wars, strikes, lockouts, work stoppages or other difficulties; and any law, order, regulation or other action of any governing authority or agency thereof.

8. Without limiting the operation of Section 7, above, neither the ESP nor 800 Response assumes any responsibility or liability for losses or hardships relating to any advertising or other promotion of a toll free number. Customer is advised not to make any commitments relating to advertising prior to the activation of Shared Use 800 Service and the receipt of written notification thereof and testing. Expedited processing is not guaranteed. Customer's sole remedy should the service arrangement not be processed within a specified timeframe is refund of any expedite fee.

9a. The Customer, ESP or 800 Response may terminate this Agreement (as defined in par.10) by providing sixty days advance written notice, or upon shorter notice if directed to do so by a court or other competent legal authority. The terms and conditions of this Agreement shall remain in effect during the sixty-day notice period.

b. 800 Response and the ESP may terminate this Agreement on less than sixty days notice for nonpayment of invoices, non-compliance with laws, regulations, or 800 Response's rules of service, material breach by Customer, technical requirements of Customer serving arrangements beyond 800 Response's control which impede or prevent 800 Response from providing the Enhanced Services, or unauthorized or fraudulent use of service.

c. If the Trademark Addendum section on the SOF is not fully completed at the time of execution by Customer, or the ESP is not identified, Customer shall have ten (10) days from the date on which it receives an executed and completed copy of the SOF to rescind this Agreement should Customer determine that the manner in which the sections were completed is unacceptable.

10. The terms and conditions contained herein ("Terms and Conditions"), and the terms and conditions contained in the Trademark Addendum and any addendum which is referenced on the SOF, which are attached hereto and made a part hereof by reference (hereinafter collectively "Agreement"), supersede all prior oral or written understandings between the ESP and/or 800 Response and the Customer, and constitute the entire agreement between them concerning the subject matter of this agreement. Except as provided in paragraphs 4(a) and 13, this Agreement may only be amended by a written instrument properly executed by the Parties. If the SOF has been procured by or with the involvement of an agent or other representative of 800 Response and/or the ESP (other than 800 RM), such agent or representative has no authority to bind 800 Response and/or the ESP, and Customer is entitled to rely only upon representations and promises made by 800 Response in writing. In the event of a conflict between the Trademark Addendum and the Terms and Conditions, the Trademark Addendum shall prevail if the conflict relates to a trademark matter, and the Terms and Conditions shall apply if the conflict relates to any other matter. If Customer has previously executed an SOF ("Prior Agreement") with 800 Response and an ESP for service not affected by this Agreement, Customer and 800 Response (on behalf of itself and such other ESP) agree that to the extent a subject is addressed herein, the terms and conditions of this Agreement shall replace, mutate and/or supersede the corresponding provisions, if any, of such Prior Agreements, and supersede such agreements.

11. Customer may not assign the use of service without the prior written consent of 800 Response. Permitted assignees must consent to the terms and conditions of this Agreement.

12. This Agreement shall be interpreted so as to conform to applicable federal law and the regulations of the FCC and any applicable FCC and state tariffs. Should any part of any provision of this Agreement including the Trademark Addendum or any other agreement, document or writing given pursuant to or in connection with this Agreement be invalid or unenforceable under applicable law, said part shall be ineffective to the extent of such invalidity only, and the remaining terms and conditions shall be interpreted so as to give the greatest effect possible thereto. Customer agrees to abide by the provisions of the Guidelines.

13. 800 Response and the ESP reserve the right to change the rates, terms and conditions of service upon 30 (thirty) days notice. Notice of such changes will be provided by mail or bill insert, and will be posted on the 800 Response website referenced above.

14. Excepting the conflict of laws provisions, the construction, interpretation and performance of this Agreement shall be governed by the local laws of the State of Vermont, and exclusive jurisdiction shall lie with the courts of that state. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. One or more counterparts of this Agreement may be delivered by facsimile copy or electronic transmission, with the intention that they shall have the same effect as an original counterpart hereof. Any obligations of the parties relating to moneys owed, limitation of liability and indemnification shall survive termination of this Agreement.

15. Any reference herein (a) to "800" numbers or services, including "Shared Use 800 Service," shall be construed as including all other toll free exchanges including, but not limited to, the 888, 877, 956 and 855 exchanges; (b) in the singular to "Toll Free Number" or "ESP" shall be construed as including the plural in the event the SOF or Addenda reference more than one toll free number or ESP; (c) to the ESP shall not apply to Customer Numbers. Each party hereby confirms that it has full power and authority to enter into and perform this Agreement, that the information contained herein is true and accurate to the best of its knowledge, and that the person signing on its behalf has been properly authorized and empowered to enter into this Agreement. The waiver of any term or condition of this Agreement, or the granting of an extension of time for performance shall not constitute the permanent waiver of any term or condition of this Agreement.



## TRADEMARK ADDENDUM

By their signatures on the Service Order Form ("SOF") to which this Addendum is appended, Customer and the ESP agree to be bound by the terms and conditions, including the preambular paragraphs, of (i) Alternative A or Alternative B, as specified herein, and (ii) Sections 5 through 15 below. With respect to each Custom 800 or Repeater Number, if the "License" box on the SOF is checked, the provisions of Alternative A (sections A1-A2 below) shall apply; if the "Covenant" box on the SOF is checked, the provisions of Alternative B (sections B1-B4 below) shall apply.

### ALTERNATIVE A (LICENSE)

WHEREAS, the ESP has adopted and used the service mark identified on the SOF ("Service Mark") in connection with advertising and promotion or marketing products and services for others; WHEREAS, the ESP (or "Licensor") is willing to grant to Customer (or "Licensee") licenses to use the Licensed Mark as defined below in connection with the advertising, promotion, marketing and sale of products and services and for advertising as the trade name and/or business name of Licensee (hereinafter collectively "Services"), said licenses subject to the terms and conditions contained herein;

NOW, THEREFORE, the parties agree as follows:

A1. Grant of License. Licensor reserves all rights in and to the Licensed Mark, except as specifically granted herein to Licensee. Licensee acknowledges that Licensor is the owner of all rights, title and interest in and to the Licensed Mark. Licensor hereby grants to Licensee, and Licensee hereby accepts, a non-exclusive license, without the right to sublicense, to use the Licensed Mark, including the rights from any application for U.S. registration thereof, in connection with the Services.

A2. Assignment. This Trademark Addendum shall benefit and be binding upon each of the parties hereto and their respective successors and assigns; but it may not be assigned in whole or in part by Licensee without the prior written consent of Licensor. Licensor shall not need Licensee's prior consent to assign this Trademark Addendum. This Trademark Addendum and the license hereby granted are personal to Licensee for all purposes, and Licensee may not grant sublicenses under this Trademark Addendum without the prior written consent of Licensor.

Skip to Section 5.

### ALTERNATIVE B (COVENANT)

WHEREAS, the ESP has adopted and used various service marks incorporating the service mark identified on the SOF ("Service Mark") in connection with advertising and promotion or marketing products and services for others;

WHEREAS, Customer is desirous of using the Service Mark together with marks of others to advertise and promote products and services (the "Services");

WHEREAS, the ESP is willing to grant Customer a covenant not to sue based on the use by Customer of the Service Mark in connection with the Services, upon the terms hereinafter set forth;

NOW, THEREFORE, in consideration of the foregoing, and of the mutual covenants, terms and conditions hereinafter expressed, the parties hereto agree as follows:

B1. Covenant Not To Sue. With respect to Customer's use of the Service Mark in connection with the Services, the ESP hereby covenants not to enforce against Customer any rights that the ESP has with respect to the ESP's Marks so long as this Trademark Addendum is in effect.

B2. Warranty Of No Conflicting Use. Customer represents and warrants that during the term of this Trademark Addendum the use of the Service Mark is made pursuant to an express authorization by any third party that may claim ownership or any other rights over any word or design used in combination with the Service Mark. Customer hereby warrants that it has obtained written permission from the owner of any trademark to be used in combination with the Service Mark.

B3. Notification Of Alleged Infringements. Customer shall promptly notify ESP if Customer is notified by any third party of any violation of such a third party's trademark rights, or any other rights, arising out of the use of the Service Mark.

B4. Assignment. This Trademark Addendum shall benefit and be binding upon each of the parties hereto and their respective successors and assigns; but it may not be assigned in whole or in part by Customer without the prior written consent of the ESP. The ESP shall not need Customer's prior consent to assign this Trademark Addendum.

#### The remaining provisions apply to both Alternatives A and B:

5. Customer will never challenge ESP's ownership or the validity of the Service Mark and/or Licensed Mark, or any rights of ESP therein. Customer will never attempt to register the Service Mark and/or Licensed Mark, or its word or design components, with any governmental entity anywhere in the world without the express written permission of ESP.

6. In the event that Customer breaches any of the provisions of this Trademark Addendum, or if it uses the Service Mark and/or Licensed Mark in any form substantially different from that acceptable to ESP without the prior written consent of ESP, and does not cure such breach within fourteen (14) days after notice from ESP, ESP may terminate this Agreement by giving Customer fourteen (14) days written notice.

7. Upon request, Customer shall provide ESP with any information or documentation reasonably necessary to enable ESP to register or maintain its ownership of the Service Mark and/or Licensed Mark with any government entity.

8. Territory. The territory of this Trademark Addendum is hereby limited to the geographic area(s) served by the NPA's and/or NPANOC's identified on the SOF including any subsequent extension or reduction of such service area to which both the ESP and Customer agree.

9. Term. The term of this Trademark Addendum and any license hereby granted shall be effective on the date on which the SOF is executed ("Effective Date") and shall continue until the termination of the service provided pursuant to the SOF, unless sooner terminated in accordance with the provisions hereof or by mutual written agreement of both parties. Upon termination of this Trademark Addendum, or default by Customer: (a) all rights granted to Customer herein shall revert immediately to the ESP; (b) Customer shall execute any documents necessary to record or memorialize such reversions; and (c) Customer shall, on the effective date of termination specified herein, immediately discontinue all use of the Service Mark and/or Licensed Mark alone or together with any other mark, design, logo, word or words.

10. Consideration. Consideration for the rights granted herein is included in the charges for the services referenced on the SOF.

11. Infringements. Customer shall promptly notify the ESP of any and all infringements of the Service Mark and/or Licensed Mark, which come to the attention of Customer. The ESP, at its sole discretion, shall investigate and prosecute any claims or suits for violations of third parties of the rights in the Service Mark and/or Licensed Mark. The ESP shall take primary responsibility for any actions it decides to commence under this provision. Customer agrees to cooperate fully with the ESP in the furtherance of any such claim including, but not limited to, providing documentary or testimonial evidence, or joining as a formal party in the action or proceeding with the ESP.

12. Liability of the ESP. The ESP represents and warrants to the Customer only that the ESP believes it owns and has the right to use the Service Mark and/or Licensed Mark in commerce, and that it owns as of the date indicated on the SOF any U.S. service mark registration identified on the SOF. The ESP makes no other warranties or guarantees, either expressed or implied, arising by law or otherwise, with regard to the Service Mark and/or Licensed Mark. In particular, the ESP cannot guarantee that the Service Mark and/or Licensed Mark, or a mark confusingly similar thereto, is not in use by any other person or entity in some area of the licensed territory. Should some person or entity be using the Service Mark and/or Licensed Mark, who can prove in a court of competent jurisdiction the right to exclude the ESP or Customer from use of the Service Mark and/or Licensed Mark, Licensor's liability shall be limited strictly to the amount paid by Customer under the SOF and this Trademark Addendum. The ESP, at its sole discretion, shall have the option to terminate this Trademark Addendum, and any underlying license, upon fourteen (14) days notice, should it appear to the ESP, in its sole discretion, that a third party has a valid prior claim to the use of the Service Mark and/or Licensed Mark, or any confusingly similar mark, in the licensed territory. Customer's remedies in case of such termination shall be limited to those set forth in this provision.

13. Exclusion of Warranties. EXCEPT AS SET FORTH HEREIN, THE ESP MAKES NO WARRANTIES OR GUARANTEES, EITHER EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH REGARD TO THE SERVICE MARK AND/OR LICENSED MARK. THE ESP SPECIFICALLY DISCLAIMS, AND WILL HAVE NO OBLIGATION OR LIABILITY FOR ANY CLAIM OF INFRINGEMENT, UNFAIR COMPETITION, TORT, PRODUCT LIABILITY, OR ANY OTHER CLAIM ARISING OUT OF CUSTOMER'S USE OF ANY TOLL FREE NUMBER CORRESPONDING TO THE SERVICE MARK AND/OR LICENSED MARK; OR INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE ABOVE-ENUMERATED CLAIMS, OR OUT OF ANY OTHER CLAIMS, OBLIGATIONS, LIABILITIES, RIGHTS OR REMEDIES.

14. Indemnification. Customer agrees to indemnify, defend, and hold harmless the ESP, its officers, agents and employees, from and against all claims and liabilities, including costs and expenses (including attorneys' fees) incident thereto or incident to successfully establishing the right to indemnification, for injury to or death of any person or persons, including employees of Customer, and for loss of or damage to any property, arising out of or in any way connected with Customer's activities under this Agreement, the Service Mark and/or Licensed Mark, or under any toll free number which corresponds to the Service Mark and/or Licensed Mark.

#### 15. Miscellaneous.

15.1 Relationship of parties. Nothing in this Trademark Addendum shall be construed to place the parties in the relationship of partners, joint venturers, franchisor and franchisee, or principal and agent; and Customer shall have no power to obligate or bind the ESP in any manner whatsoever.

15.2 Notices. All notices for which provision is made herein shall be deemed received as of five days after mailing, if mailed to the other party by registered mail, return receipt requested, addressed to the other party at the address specified on the SOF, or any other address which that party has provided to the other by written notice.

15.3 Use of Service Mark and/or Licensed Mark. Customer agrees that all uses of the Licensed Mark, the Service Mark and/or their variants inure to the benefit of the ESP, and that such rights remain with the ESP after termination or expiration of the term of this Agreement.

15.4 Control of Use of the Service Mark and/or Licensed Mark. Customer shall submit to ESP for its approval a representative sample of all advertising or promotional materials including the Service Mark and/or Licensed Mark which it has used, or any new and/or substantially revised or changed materials including the Service Mark and/or Licensed Mark which it wishes to use, at the following times: (a) within two weeks after Customer commences public use of the Service Mark and/or Licensed Mark or within two weeks following the effective date of this Agreement, whichever is later; (b) six months after the Effective Date; and (c) on each yearly anniversary of the Effective Date. If the ESP fails to object to use of such material within ten (10) days of receipt thereof, ESP shall be deemed to have approved the use of such material.

15.5 The Services performed, or obtained for use, by Customer, its employees, agents and assigns under the Service Mark and/or Licensed Mark shall be at all times of high quality, such as the quality of services presently provided by ESP. Customer is familiar with the high quality standards employed by ESP in the performance of its services. Customer approves and adopts the standard of quality presently maintained by ESP for its services as of the Effective Date as the overall standard of quality for all Services to be rendered under the Licensed Mark.

15.6 ESP shall be permitted to observe and to check the performance of the Services offered and performed by Customer during normal business hours. ESP has the right to take all reasonable actions to ensure that a high standard of quality is maintained for the Services performed under the Service Mark and/or Licensed Mark, and to demand that Customer take all steps necessary to maintain such standards for the Services.

#### 15.7 Definitions.

15.7.1 The term "Licensed Mark" shall include the Service Mark indicated above and any and all variants of the Service Mark, including the substitution and use of any toll free exchange, such as 888, 877, 866, 855, or the like, and/or the use of ".com" or another top level domain name appended to the Service Mark or any variant thereof to indicate a URL corresponding to an address on the Internet.

15.7.2 The term "Services" shall, as used anywhere in this Trademark Addendum, include the advertising, promotion, marketing and sale of products and services and advertising as the trade name and/or business name of Licensee.

Customer Name: _____		Account #: _____		
<b>WEB ACCESS</b>				
Contact Information	Privilege Group	Administrator	Restrict Access To	
	Basic (Intermediate Power Power Plus (+))		Number(s)	Ring-to(s)
First Name: _____ Last Name: _____ Title: _____ Company Name: _____ Address: _____ City: _____ State: _____ Zip: _____ Work #: _____ Extension: _____ Cell #: _____ Fax #: _____ Email: _____ Username: <input type="checkbox"/> Use Email <input type="checkbox"/> Use Preferred: _____	<input type="button" value="v"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
First Name: _____ Last Name: _____ Title: _____ Company Name: _____ Address: _____ City: _____ State: _____ Zip: _____ Work #: _____ Extension: _____ Cell #: _____ Fax #: _____ Email: _____ Username: <input type="checkbox"/> Use Email <input type="checkbox"/> Use Preferred: _____	<input type="button" value="v"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
First Name: _____ Last Name: _____ Title: _____ Company Name: _____ Address: _____ City: _____ State: _____ Zip: _____ Work #: _____ Extension: _____ Cell #: _____ Fax #: _____ Email: _____ Username: <input type="checkbox"/> Use Email <input type="checkbox"/> Use Preferred: _____	<input type="button" value="v"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
Executive Management Contact as identified in Section 3 of the SOF	<input type="button" value="v"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
Advertising Agent as identified in Section 4 of the SOF	<input type="button" value="v"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
Referral Agent as identified in Section 5 of the SOF	<input type="button" value="v"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>
<b>*Privilege Groups:</b> <b>Basic:</b> Access to call information, excluding: Addresses & Demographics, CallFinder, Campaigns, Employee Codes, Missed Call Monitor, Notes, Recordings & Tags. <b>Intermediate:</b> Access to call information, including: Campaigns, Missed Call Monitor, Notes, Recordings & Tags. Read Access to Addresses & Demographics, CallFinder Searches & Scorecards. <b>Power:</b> Access to call information, including: Campaigns, Missed Call Monitor, Notes, Recordings & Tags. Read access to CallFinder Searches & Scorecards. Search access to Addresses & Demographics. <b>Power Plus:</b> Access to call information, including: Campaigns, Missed Call Monitor, Notes, Recordings & Tags. Read/create access to CallFinder Scorecards. Read access to CallFinder Searches. Search access to Addresses & Demographics. <b>*Account Management Setting</b> <b>Administrator:</b> Authorized to make all account changes including, but not limited to, user changes.				



This Addendum, dated \_\_\_\_\_, contains additional terms and conditions governing the agreement between \_\_\_\_\_ ("Customer"), 800 Response and the Enhanced Service Provider ("ESP") embodied in the latest Service Order Form ("SOF") executed among the parties.

1. 800 Response shall make call recording services available to Customer pursuant hereto. Prior to recording any incoming call, 800 Response shall notify the calling party by means of a prerecorded message that the call may be recorded for use by Customer or its agents for quality assurance purposes.
2. Prior to using the call recording services, Customer shall: (a) notify each employee, individual or Call Center/Answering Service who may be answering recorded calls that their conversations may be recorded, and (b) obtain such employee's, individual's and/or Call Center's/Answering Service's written consent thereto. Responsibility for obtaining written consents from current and future employees, individuals and Call Centers/Answering Services rests with Customer, and not with 800 Response or the ESP.
3. In addition to applying to the latest SOF executed by the parties as of the date of this Addendum, this Addendum shall apply to any new SOF(s) that the parties enter into subsequent to such date provided: (i) the new SOF specifies that it is subject to a Call Recording Addendum, and (ii) the parties do not enter into a new Call Recording Addendum at such later time.
4. Customer shall: (a) use the recordings solely for quality assurance purposes, (b) comply with all laws and regulations applicable to the recording of calls or the control or use of call recordings, (c) not use the recordings for any unlawful purpose, and (d) require its agents who have access to the recorded calls to comply with this section.
5. Customer shall indemnify, defend and hold harmless 800 Response and the ESP, their officers, directors, partners, agents, employees, successors and assigns from and against any loss, claim, damage or expense (including reasonable attorneys fees and costs) arising out of or resulting from any claims by Customer's customers, prospective customers, employees, or any third party, in connection with Customer's and its agents' performance of or failure to perform Customer's obligations pursuant to this Call Recording Addendum.
6. This Call Recording Addendum and any associated SOF (including the Terms and Conditions and Trademark Addendum, and any other Addenda to such SOF) shall be considered a single agreement. In the event of any inconsistency, the terms of this Call Recording Addendum shall take precedence with respect to call recording issues. The minimum period for the call recording option is six months.

**Customer:**

By: \_\_\_\_\_

(Signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**800 Response, and ESP:**

By: \_\_\_\_\_

(Signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**\*[SAMPLE]  
EMPLOYEE ACKNOWLEDGEMENT  
[CUSTOMER NAME]**

The undersigned ("Employee") hereby acknowledges that it is the policy of \_\_\_\_\_ ("Employer") that Employer's telephones are to be used for business purposes only and that Employer and/or its telecommunications service provider and agents acting on Employer's behalf, records and/or monitors calls received over its telephone system for quality assurance purposes, including evaluation of employee performance. Employee hereby consents to such monitoring and recording of calls and releases Employer from any liability with respect thereto.

Employee Signature: \_\_\_\_\_

Name \_\_\_\_\_

Date \_\_\_\_\_

Witness \_\_\_\_\_

\*This form is provided by 800 Response for informational purposes only and is not intended as a substitute for legal advice from local counsel. It is recommended that Customers review the form and its content with their own attorneys for compliance with the requirements of federal and state law.

Customer Name: <input style="width: 90%;" type="text"/>		
Account #: <input style="width: 35%;" type="text"/> Date: <input style="width: 55%;" type="text"/>		
<b>ARRANGEMENT # 1</b> <input type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Delete Number: <input style="width: 80%;" type="text" value="800-889-0838"/> Type: <input style="width: 80%;" type="text" value="Shared Use Repeater Num"/> Ring-to #: <input style="width: 80%;" type="text" value="per SOF"/> Area Codes: <input style="width: 80%;" type="text" value="Per Lead Account to Us"/>  Call Recording: <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>ARRANGEMENT # 2</b> <input type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Delete Number: <input style="width: 80%;" type="text" value="800-889-1578"/> Type: <input style="width: 80%;" type="text" value="Shared Use Repeater Num"/> Ring-to #: <input style="width: 80%;" type="text" value="per SOF"/> Area Codes: <input style="width: 80%;" type="text" value="Per Lead Account to Us"/>  Call Recording: <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>ARRANGEMENT # 3</b> <input type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Delete Number: <input style="width: 80%;" type="text" value="800-889-5048"/> Type: <input style="width: 80%;" type="text" value="Shared Use Repeater Num"/> Ring-to #: <input style="width: 80%;" type="text" value="per SOF"/> Area Codes: <input style="width: 80%;" type="text" value="Per Lead Account to Us"/>  Call Recording: <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>ARRANGEMENT # 4</b> <input type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Delete Number: <input style="width: 80%;" type="text" value="800-889-8680"/> Type: <input style="width: 80%;" type="text" value="Shared Use Repeater Num"/> Ring-to #: <input style="width: 80%;" type="text" value="per SOF"/> Area Codes: <input style="width: 80%;" type="text" value="Per Lead Account to Us"/>  Call Recording: <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>ARRANGEMENT #</b> <input type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Delete Number: <input style="width: 80%;" type="text" value="800-WINDOW-WORLD"/> Type: <input style="width: 80%;" type="text" value="Customer Number"/> Ring-to #: <input style="width: 80%;" type="text" value="per SOF"/> Area Codes: <input style="width: 80%;" type="text" value="Per Lead Account to Us"/>  Call Recording: <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>ARRANGEMENT #</b> <input type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Delete Number: <input style="width: 80%;" type="text" value="888-WINDOW-WORLD"/> Type: <input style="width: 80%;" type="text" value="Customer Number"/> Ring-to #: <input style="width: 80%;" type="text" value="per SOF"/> Area Codes: <input style="width: 80%;" type="text" value="Per Lead Account to Us"/>  Call Recording: <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>ARRANGEMENT #</b> <input type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Delete Number: <input style="width: 80%;" type="text"/> Type: <input style="width: 80%;" type="text"/> Ring-to #: <input style="width: 80%;" type="text"/> Area Codes: <input style="width: 80%;" type="text"/>  Call Recording: <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>ARRANGEMENT #</b> <input type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Delete Number: <input style="width: 80%;" type="text"/> Type: <input style="width: 80%;" type="text"/> Ring-to #: <input style="width: 80%;" type="text"/> Area Codes: <input style="width: 80%;" type="text"/>  Call Recording: <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>ARRANGEMENT #</b> <input type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Delete Number: <input style="width: 80%;" type="text"/> Type: <input style="width: 80%;" type="text"/> Ring-to #: <input style="width: 80%;" type="text"/> Area Codes: <input style="width: 80%;" type="text"/>  Call Recording: <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Notes:</b> <input style="width: 95%;" type="text"/> <input style="width: 95%;" type="text"/> <input style="width: 95%;" type="text"/>		

This page is a continuation of the Service Order Form ("SOF") to which it is appended, and all services referenced herein are provided subject to the Terms and Conditions of the SOF. Notwithstanding the aforesaid, the provisions of sections 3a and 4a of the Terms and Conditions, the Trademark Addendum, the references to Shared Use 800 Services in the Authorization block of the SOF, and all references to the ESP do not apply to Customer Numbers. Should service on any Customer Number be cancelled or terminated, Customer shall be responsible for making the necessary arrangements to transfer the Resp Org designation or toll free service to another provider. If Customer has not designated a new Resp Org for a cancelled or terminated Customer Number within 45 days of the effective date of the cancellation or termination, 800 R/S shall return the number to the SMS 800 Database, and Customer will risk loss of the number to another subscriber. Additionally, should service on any Local Tracking Number be cancelled or terminated, Customer shall be responsible for making the necessary arrangements to port such number to another provider. If Customer has not ported service on a cancelled or terminated Local Tracking Number prior to the effective date of the cancellation or termination, Customer will risk the loss of the number.

This Addendum, dated \_\_\_\_\_, \_\_\_\_\_, contains additional terms and conditions governing the agreement between \_\_\_\_\_ ("Customer"), 800 Response, and the Enhanced Service Provider ("ESP") embodied in the Service Order Form ("SOF") dated \_\_\_\_\_.

1. Customer acknowledges that service is provided in accordance with the terms of the Multi-Location Service Agreement ("MLSA") concluded between 800 Response and \_\_\_\_\_ ("Lead Account").
2. Lead Account controls the routing on the Toll Free Number and may change the Service Territory in its sole discretion. If directed by Lead Account, 800 Response may change routing arrangements or terminate service at any time. The rates and fees listed in Section 6 of the SOF may also change from time to time, without prior notice, in accordance with the terms of the MLSA. Should the MLSA be terminated, the ESP and 800 Response reserve the right to terminate service under this Agreement without providing the notice otherwise required by paragraph 9 of the Terms and Conditions.
3. Lead Account is authorized to access any call reports available to Customer, including call recordings.
4. This Addendum and the SOF (including the Terms and Conditions and Trademark Addendum, and any other Addenda) shall be considered a single agreement. In the event of any inconsistency, the terms of this Addendum shall take precedence.

**Customer:**

By: \_\_\_\_\_

(Signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**800 Response and the ESP:**

By: \_\_\_\_\_

(Signature)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT H  
WINDOW WORLD MASTER SERVICES AGREEMENT

This Window World Master Services Agreement (“Agreement”) is made and entered into as of \_\_\_\_\_ (“Effective Date”), and is between WINDOW WORLD TECHNOLOGIES, LLC, a North Carolina limited liability company; WINDOW WORLD, INC., a North Carolina corporation (together and individually, “Provider”); and \_\_\_\_\_ (“Client”).

WHEREAS, Window World, Inc. (“Franchisor”), and Client have entered into a franchise agreement or license agreement dated as of \_\_\_\_\_ (“Franchise Agreement”); and

WHEREAS, Provider is willing to provide certain technology products and services, as further described below; and

WHEREAS, Client will use Provider’s technology products and services in its operation of a Window World franchise (“Franchised Business”).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows:

**1. Services**

a. **Services.** During the Term (defined below), Provider, or vendors approved by Provider (“Third-Party Vendors”), shall provide to Client the technology products and services described on Exhibit 1 or as updated by Provider from time to time (“Services”).

b. **Additional Services Agreements.** To receive some Services, Client may be required to enter into additional agreements with Provider, Provider’s affiliates, or Third-Party Vendors (together, “Additional Services Agreements”). The current Additional Services Agreements are attached hereto as Exhibit 2. If Client does not enter into the required Additional Services Agreements, neither Provider nor any Third-Party Vendor has any obligation to provide the Services. However, the Fees (as defined below) will not be reduced if Client chooses not to enter into any Additional Services Agreement.

c. **Updates to the Services.** Provider shall have the right from time to time during the Term to make updates to the Services, including adding, modifying, upgrading, or eliminating Services, as Provider may determine in its sole discretion. Provider has the right to withdraw its approval of any previously approved Third-Party Vendor at any time. If Provider adds Services that require new Additional Services Agreements, Client shall enter into the new Additional Services Agreements. If Provider makes material changes to the Services, Provider shall notify Client via email or through the Window World Owners’ Portal. Such additions, modifications, upgrades, or elimination of Services shall not be deemed a breach of this Agreement.

d. **Support.** Provider and/or Third-Party Vendors may or may not offer support for the Services. Support is subject to the terms of the Additional Services Agreements. Unless otherwise specified by Provider, if Provider offers any support services, Client will contact



Provider, and not any other developer, for any and all support and training related to the Services and Documentation (defined below).

e. **Premium Services.** Provider may choose to offer premium versions of the Services (“Premium Services”) and charge an additional fee. Client is not required to use any products or services while they are designated as Premium Services. If Provider desires to offer any Premium Services to Client, Provider may establish all terms and conditions for them, including the terms for Client’s acceptance of the offer. Client’s acceptance of the offer to receive Premium Services shall not require an amendment to this Agreement or any Additional Services Agreement if such acceptance is made in accordance with the terms Provider sets. By way of example only, the following are some, but not all, ways Provider may require or permit Client to accept, modify, or cancel Premium Services, as applicable: (i) send an email to a designated address, (ii) sign a designated form, (iii) execute a new Additional Services Agreement, (iv) activate certain features in the Services, and/or (v) pay an invoice. If Client violates any of the terms and conditions of the Premium Services, Provider has the right cease making the Premium Services available to Client, among any other rights Provider may have. Provider may modify the terms and conditions for the Premium Services from time to time in its sole discretion. Client’s continued use of the Premium Services shall be deemed consent to the modified terms and conditions.

## 2. **Client Obligations**

a. **Use of the Services.** Client shall access and use the Services only in accordance with the terms of this Agreement, the Franchise Agreement, and any Additional Services Agreements. Client shall fully implement and use the Services, as they may be modified from time to time, in accordance with Franchisor’s requirements, instructions, and standards; provided, however, that Client is not obligated to use Premium Services. If Third-Party Vendors provide and/or Additional Services Agreements contain terms of use and privacy policies, Client shall fully comply with them. If Third-Party Vendors and/or Additional Services Agreements do not have terms of use or privacy policies, Client shall access and use the Services in accordance with the Window World Terms of Use (“Window World Terms of Use”), and the Window World Privacy Policy, (“Window World Privacy Policy”), as each may be updated and amended from time to time. Client agrees that Client and any Authorized Users (defined below) shall use the Services solely for the purpose of operating the Franchised Business. Franchisee must Fully Implement any Services that Provider may require. The definition of “Fully Implement” may be changed by Provider from time to time in the Manual.

### b. **Authorized Users.**

i. **Definition.** Each individual who is authorized by Client under the terms of this Agreement or any Additional Services Agreement and any further guidance from Provider to access and/or use the Services is an “Authorized User.” “Authorized Users” include those of Client’s employees, owners, members, shareholders, directors, or officers who Client chooses to authorize. Client’s independent contractors functioning as design consultants, installers, or service technicians may become Authorized Users (such authorized contractors collectively, “Permitted Contractors”). Client’s other independent contractors may also become Authorized Users with Provider’s prior written permission and may be subject to additional access and use restrictions. Provider may revoke the authorization of any Authorized User for any reason. An Authorized User may be authorized to use some Services but not others.

- ii. **Use.** All Authorized Users shall only access and use the Services according to the terms of this Agreement, the Franchise Agreement, Additional Services Agreements, applicable terms of use and privacy, and any further restrictions Provider requires. All references to privacy policies and terms of use in this Agreement shall also refer to how those terms of use and privacy policies are updated and amended from time to time.
- iii. **Client's Responsibility.** Client has the sole responsibility to ensure that Authorized Users comply with this Agreement, the Franchise Agreement, Additional Services Agreements, Provider's guidance or restrictions, and the applicable terms of use and privacy policies. Client shall be responsible and liable for the acts and omissions of each of its Authorized Users to the same extent as if such acts or omissions were by Client.
- iv. **Authorization is Not Permanent.** Authorized Users only remain authorized to use and/or access the Services only for so long as (i) such Authorized User remains Client's employee, owner, member, shareholder, director, officer, Permitted Contractor, or independent contractor who has Provider's written permission, (ii) such Authorized User is authorized by Client to be an Authorized User, (iii) such Authorized User has accepted and is abiding by all current and applicable agreements, terms of use, and privacy policies; (iv) this Agreement (or the applicable Additional Services Agreement) remains in effect; and (v) if applicable, such Authorized User has an active account and valid Password for use of the Services.
- v. **Unauthorized Parties.** By way of example only and without limiting the scope of who is an unauthorized party, the following shall not be considered Authorized Users: competitors of Provider and its franchisees, vendors of Provider and its franchisees that have not been approved by Provider to be a Permitted Contractor, and employees and subcontractors of Provider's franchisees that have not satisfied all of the requirements to be an Authorized User.
- c. **Documentation.** Provider or Third-Party Vendors may from time to time issue user manuals, technical manuals, and other materials, in printed, electronic, digital or other form that describe the Services or their use or specifications ("Documentation"). Client and Authorized Users shall comply with all Documentation and use the Documentation only for purpose of operating the Franchised Business.
- d. **Data.**
- i. **Client Privacy Policy.** Client shall create and adhere to the terms of a privacy policy which is in compliance with the applicable laws in Client's and Client's customer's jurisdictions (the "Client's Privacy Policy"). Client shall make the Client's Privacy Policy available to Client's customers. Client's Privacy Policy must include notice to each of Client's customers that the customers' information which is collected, posted, uploaded, generated, stored, displayed, distributed, disclosed, shared, or transmitted in connection with Client's use of the Services ("Customer Data") will be shared with third parties. If required by law, Client shall also obtain the required

consent of the customers to share such data with Provider and Third-Party Vendors, as applicable.

ii. **Content.** Client is solely responsible for maintaining backups of all content, including photos, images, videos, graphics, written content, audio files, information, reports, data, Customer Data, or other content posted, uploaded, collected, generated, stored, displayed, distributed, transmitted or exhibited on or in connection with the Services (“Content”) unless otherwise specified in the Additional Services Agreements and unless prohibited by law. By submitting Content to Provider and/or the Services, Client hereby represents to Provider that Client either (i) owns the copyright and all other intellectual property rights to the Content, or (ii) has obtained authorization from the third party(ies) for Provider to post, display, copy, publish, distribute, transmit, print, and use the Content.

iii. **Service Data.** Provider and its affiliates may, directly or indirectly through the services of others, collect and store information regarding use of the Services and about any equipment through which the Services are accessed or used, including all data collected, stored, or otherwise used in the Services (“Service Data”). Third-Party Vendors’ access and use of Service Data is governed by the Additional Services Agreements and their terms of use and privacy policies.

iv. **Data Generally.** The term “Data” as used in this Agreement shall mean Customer Data, Content, and Service Data. As between Client and Provider, Client agrees that Provider shall be the owner of the Data and may use the Data for any purpose, in its sole discretion, without compensation to Client. Such uses of the Data may include, but are not limited to, (i) improving the performance of the Services or developing updates; (ii) verifying compliance with the terms of this Agreement or any Additional Services Agreement; (iii) enforcing Provider’s and Third-Party Vendors’ rights, including all intellectual property rights in and to the Services and the Data, (iv) selling franchises, and (v) any other purpose provided for under the Franchise Agreement and Manuals. “Manuals” shall have the meaning given to the term in the Franchise Agreement. Client shall use all reasonable efforts to ensure the accuracy of all Data.

v. **Safeguard Data.** Additionally, Client and Authorized Users shall use all reasonable efforts to safeguard all Data (including any copies thereof) from infringement, misappropriation, theft, misuse, or unauthorized access. Client and its Authorized Users shall not collect, share, disclose, or store Data unless it is permitted under (i) laws, rules, and regulations, (ii) the terms of this Agreement, (iii) the terms of the Franchise Agreement, (iv) the terms of the Additional Services Agreements, (v) the applicable terms of use and privacy policies (as each may be updated and amended from time to time), (vi) the Manuals, and (vii) Client’s Privacy Policy. Upon learning of any unauthorized possession or use of or access to the Data, Client will, within two days of learning of such unauthorized possession, use or access, notify Provider and furnish details of such occurrence. Client shall implement measures reasonably requested by Provider to prevent any such unauthorized access to the Data.

e. **Password.** Unless otherwise approved in writing by Franchisor, a unique user identification and a password (together and individually a “Password”) may be needed for an Authorized User to access one or more of the Services. Client may be required to issue each Authorized User such Password. Regardless of whether the Password is generated by Provider, Client, or the Authorized User, EACH AUTHORIZED USER IS RESPONSIBLE FOR KEEPING ITS PASSWORD FOR ITS ACCESS STRICTLY CONFIDENTIAL AND SHALL TAKE ALL REASONABLE PRECAUTIONS TO PREVENT ITS UNAUTHORIZED USE. Client will notify Provider promptly of any unauthorized use of a Password of which it becomes aware, but in no instance later than five days after learning of the unauthorized use. Until Client notifies Provider that a Password is being used without authorization, Provider will presume that all Services used by Client’s Authorized Users is authorized by Client. Client shall disclose to Provider all Passwords and other login credentials needed to access the Services upon Provider’s request.

f. **Hardware and Software.** Client agrees and acknowledges that the use of the Services and Documentation may be subject to hardware and software requirements. The current required hardware and software requirements are set forth on Exhibit 1 and, as applicable, in the Additional Services Agreements. Client acknowledges that if Client does not maintain, upgrade, replace, or acquire the required hardware and software, the Services and Documentation may not function as intended or at all. Provider shall have no liability to Client for Client’s failure to maintain, upgrade, replace, or acquire the required hardware and software.

g. **Unauthorized Access.** Client shall use commercially reasonable efforts to prevent unauthorized access to or use of the Services and Documentation. Upon learning of any unauthorized possession or use of or access to the Services or the Documentation, Client will, within five days of learning of such unauthorized possession, use or access, notify Provider and furnish details of such occurrence. Client shall implement measures reasonably requested by Provider to prevent any such unauthorized access to the Services or the Documentation.

h. **Further Limitations.** Except as permitted under this Agreement or any Additional Services Agreement or as permitted with prior approval from Provider, Client shall refrain from, and shall ensure that its Authorized Users do not:

i. copy, correct, modify, adapt, translate, enhance, or create derivative works or improvements of the Services, Data, or Documentation;

ii. rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer, or otherwise make available any Services, Data, or Documentation to any party who is not an Authorized User, including on or in connection with the internet or any web hosting, wide area network (WAN), virtual private network (VPN), virtualization, time-sharing, service bureau, software as a service, cloud, or other technology or service;

iii. use the Services, Data, or Documentation to store or transmit infringing, libelous, or otherwise unlawful or tortious material, or to store or transmit material in violation of third-party privacy rights;

iv. reverse engineer, disassemble, decompile, decode, adapt, or otherwise attempt to derive or gain access to the source code of the Services, Data, or Documentation, in whole or in part;



- v. bypass, defeat, remove, disable, circumvent, implement a workaround for, or breach any security device or protection used for, by, or contained in the Services, Data, or Documentation or access or use the Services, Data, or Documentation other than by an Authorized User through the use of his or her own then valid Password;
- vi. input, upload, transmit, or otherwise provide to or through the Services, Data, or Documentation, any information or materials that are unlawful or injurious, or contain, transmit, or activate any Harmful Code (as defined below);
- vii. damage, destroy, disrupt, disable, impair, interfere with, or otherwise impede or harm in any manner the Services, Data, or Documentation, or Provider's provision of services to any third party, in whole or in part;
- viii. remove, delete, alter, efface, translate, combine, supplement, or obscure any trademarks, warranties, or disclaimers, or any copyright, trademark, patent, or other intellectual property or proprietary rights notices from any Services, Data, or Documentation, including any copy thereof;
- ix. access or use the Services, Data, or Documentation in any manner or for any purpose that infringes, misappropriates, or otherwise violates any intellectual property right or other right of any third party, or that violates any applicable law, regulation, or rule;
- x. access or use the Services, Data, or Documentation for purposes of competitive analysis of the Services, Data, or Documentation, the development, provision, or use of a competing service or product or any other purpose that is to Provider's detriment or commercial disadvantage;
- xi. input to, upload to, transmit to, or store in the Services, Data, or Documentation any credit card information and/or banking information, including account and routing numbers;
- xii. input to, upload to, transmit to, or store in the Services, Data, or Documentation any social security number(s);
- xiii. interfere with or disrupt the integrity or performance of the Services, Data, or Documentation or third-party data contained therein;
- xiv. attempt to gain unauthorized access to the Services, Data, or Documentation or third parties' related systems or networks;
- xv. use any automated process, third party application, or external system to input to, upload to, transmit to, or import to the Services, Data, or Documentation; all data should be inputted, uploaded, transmitted, or imported into the Services, Data, or Documentation by an Authorized User;
- xvi. without Provider's prior written permission, use any automated third party application, or external system to retrieve data, export data, or access the Services, Data, or Documentation; all data should be retrieved and/or viewed by an Authorized User;

- xvii. without Provider's prior written permission, share any Password with anyone other than with the Authorized User whose Password it is or with Provider and its agents;
- xviii. export, access or use the Services, Data, or Documentation in violation of any U.S. Department of Commerce export administration regulations or other applicable laws or regulations;
- xix. use the Services, Data, or Documentation in or in connection with the design, construction, maintenance, operation or use of any hazardous environments, systems or applications, any safety response systems or other safety-critical applications, or any other use or application in which the use or failure of the Services, Data, or Documentation could lead to personal injury or severe physical or property damage;
- xx. engage in any of the following for any Services that include list serves or discussion groups: (1) use of defamatory, abusive, profane, threatening, offensive, or illegal materials; (2) spamming or the posting of commercial messages, advertisements, or solicitations; (3) attacks on other participants; or
- xxi. otherwise access or use the Services, Data, or Documentation beyond the scope of the authorization granted under this Agreement or any Additional Services Agreement.

"Harmful Code" shall mean any software, hardware, or other technology, device, or means, including any virus, worm, malware, or other malicious computer code, the purpose or effect of which is to (y) permit unauthorized access to, or to destroy, disrupt, disable, distort, or otherwise harm or impede in any manner any (i) computer, software, firmware, hardware, system, or network; or (ii) any application or function of any of the foregoing or the security, integrity, confidentiality, or use of any data processed thereby; or (z) prevent any Authorized User from accessing or using the Services, Data, or Documentation as intended by this Agreement or any Additional Services Agreements.

### **3. Fees**

a. **Fees**. In consideration of the performance by Provider of its obligations under this Agreement, Client shall pay the fees described on Exhibit 1 (together "Fees").

b. **Method of Payment**. Client may choose to pay the Fees via electronic funds transfer or credit card. If Client chooses to pay via electronic funds transfer, on the dates designated by Provider (each, a "Due Date"), Provider will transfer the Fees from Client's bank operating account ("Account"). If a transfer from Client's Account is refused, an administrative fee of Twenty-Five Dollars will be assessed, as well as reimbursement to Provider of any fee its bank charges for uncollected deposit funds. If Client chooses to pay via credit card, Client shall pay the Fees on the Due Date. Additionally, Client will pay interest in the amount of 18% per month (or the highest rate permitted by law, whichever is lower) on any undisputed Fees not paid on the Due Date. If Client disputes any Fee in good faith, Client shall pay the undisputed portion and will notify Provider in writing, specifying the amount in dispute and its reason for disputing such amount and both parties shall use reasonable efforts to resolve such dispute. Client shall pay all

reasonable expenses (including attorney's fees and court costs) incurred by Provider in collecting unpaid Fees, excluding amounts disputed by Client in reasonable and good faith.

#### **4. Term**

a. **Standard Term.** The term of this Agreement ("Term") commences on the Effective Date of this Agreement and, unless terminated earlier under the terms of this Agreement, terminates upon the earlier of (i) the expiration, non-renewal, or termination of the Franchise Agreement for any reason or (ii) ten years from the Effective Date.

b. **Separate Agreement.** If Provider and Client mutually agree through a separate writing to specifically implement this Section 4.b, the Term commences on the Effective Date of this Agreement and shall terminate the earlier of (i) termination of this Agreement or the Franchise Agreement as a result of Client's breach thereof or (ii) ten years from the Effective Date. Thereafter, in such circumstance when the Franchise Agreement is still valid but this Term has ended, this Agreement shall automatically renew for consecutive one-month periods unless terminated upon thirty days written notice from Provider that Client must sign the then-current form of this Agreement.

#### **5. Termination**

a. **Automatic Termination.** This Agreement shall automatically and immediately, without notice, terminate upon termination, expiration, or non-renewal of the Franchise Agreement. Except as expressly stated in an Additional Services Agreement, each Additional Services Agreement shall also automatically terminate upon the termination of this Agreement.

b. **Termination or Reduction of Services.** In the event Client is at any time in default under the Franchise Agreement or any Additional Services Agreements, Provider shall have the right to terminate or reduce services under this Agreement or any Additional Services Agreements, in Provider's sole discretion, without any liability to Provider, including but not limited to revoking the authorization of any or all Authorized Users.

c. **Events of Default Resulting in Immediate Termination.** The occurrence of any one or more of the below events shall constitute an event of default and grounds for immediate termination of this Agreement and any Additional Services Agreement by Provider. Nevertheless, without waiving any rights or remedies, Provider, in its sole discretion, may, but is not required to grant Client a cure period for subsections (vii) to (xii) below:

- i. Client ceases operation of its Franchised Business as a going concern.
- ii. Client is the subject of any voluntary or involuntary filing in any bankruptcy or insolvency proceeding.
- iii. Client becomes insolvent, which is defined under the U.S. Bankruptcy Code, 11 U.S. Code Section 101 (32)(a), as a "financial condition such that the sum of such entity's debts is greater than all of such entity's property, at a fair valuation".
- iv. Client makes an assignment for the benefit of creditors.
- v. Client is subject to the appointment of a receiver.
- vi. Client is in default under the Franchise Agreement.

vii. Client or any of its Authorized Users violate the terms of the Window World Terms of Use or the Window World Privacy Policy or the terms of use or the privacy policy of a Third-Party Vendor, as applicable.

viii. Client or any of its Authorized Users use or permit the Services, Data, or Documentation to be used in an unauthorized manner or for an unauthorized purpose.

ix. Client or any of its Authorized Users collect, share, disclose or store Data in a way that violates the terms of this Agreement, the Franchise Agreement, Additional Services Agreements, the Manuals, the applicable terms of use and privacy policy, or any law, rule, or regulation.

x. Client or any of its Authorized Users breach its respective obligations of confidentiality under this Agreement and/or any other Additional Services Agreement.

xi. Client or any of its Authorized Users breach Section 2 of this Agreement.

xii. Client or any of its Authorized Users breach any section of any Additional Services Agreements.

d. **Failure to Pay as a Default.** If Client fails to pay any Fee required under Section 3 within thirty days after the Due Date and does not in good faith dispute the Fee, pursuant to subsection 3(b), such failure shall constitute an event of default and grounds for termination of this Agreement by Provider following thirty days written notice and the right to cure.

e. **Failure to Have Sufficient Funds as a Default.** If Client fails to have sufficient funds in the Account, or available credit on the credit card provided, such failure shall constitute an event of default and grounds for termination of this Agreement by Provider following thirty days written notice and right to cure.

f. **Termination in Provider's Discretion.** Provider may, without notice or good cause, terminate this Agreement, any of the Additional Services Agreements, or any of the Services provided hereunder or thereunder if Provider determines, in its sole discretion, that it is in the best interests of the Window World system to cease to provide any of the Services.

g. **Cross Default.** Any default by Client under this Agreement or any Additional Services Agreement shall be a default under any other agreement, lease, sublease, loan agreement, or security interest between Client (or any owner or affiliate of Client) and Provider (or any affiliate of Provider), including but not limited to the Franchise Agreement. Any such default under any other agreement, lease, sublease, loan agreement, or security interest or any other obligation between Provider (or any affiliate of Provider) and Client (or any owner or affiliate of Client), including the Franchise Agreement, shall be a default under this Agreement and any Additional Services Agreement.

h. **An Effect of Termination.** No previously authorized payments shall be refunded in the event of termination of this Agreement as a result of Client's, its agents, or its Authorized Users' actions or inactions. Any outstanding balance of any Fees or other charges owed by Client to Provider up to the effective date of termination will immediately become due and payable in full upon termination.

## **6. Intellectual Property.**

a. **Content.** Subject to limited usage rights granted to Client herein, neither this Agreement nor any Additional Services Agreement transfer to Client any right, title, or interest in or to the Content collected, used, submitted, or received in connection with the Services. Provider, its affiliates, and assigns reserve and shall retain their entire right, title, and interest in and to the Content and all intellectual property rights arising out of or relating to the Content. Client shall use all reasonable efforts to ensure the accuracy of all Content. To the extent that Client has any rights, title, or interest to the Content, Client hereby assigns its rights, title, and interest to the Content to Provider. If any Content is owned by a third party, Client represents and warrants to Provider that Client has obtained the third party's consent to provide the Content to Provider and with use of the Services and that Provider has the right to right and license to display, copy, publish, distribute, transmit, print, and use such Content owned by a third party.

b. **Other Intellectual Property Rights.** Except for the rights expressly granted herein or any Additional Services Agreement, this Agreement and any Additional Services Agreement do not transfer to Client any right, title, or interest, including any copyright, patent, trademark, trade secret, ownership rights, or other intellectual property or proprietary right, including but not limited to any such rights, titles, and interests in or to the Services, Data, or Documentation. Client acknowledges that Provider, its affiliates, and assigns, reserve and shall retain sole and exclusive title to all portions of the Services, Data, and Documentation and any copies thereof and any intellectual property rights arising out of or relating to the Services, Data, and Documentation. Client hereby assigns to Provider all right, title, and interest in and to any modifications made to the Services, Data, or the Documentation by or on behalf of the Client, whether or not such modifications are permitted under this Agreement or any Additional Services Agreement.

## **7. Confidentiality.**

a. **Franchisor's Confidential Information.** In the course of using the Services, Data, or Documentation, Client may receive Franchisor's Confidential Information, as that term is defined in the Franchise Agreement. Client shall not during the Term of this Agreement or any time after the expiration or termination of this Agreement, regardless of the cause of termination use for its own benefit or communicate or divulge, or use for the benefit of any other person or entity, any Confidential Information. Client shall disclose to its Authorized Users only such Confidential Information as is necessary to use the Services hereunder and then only while this Agreement is in effect.

b. **Customer Data.** In the course of using the Services, Data, or Documentation, Client may receive or generate Customer Data. Client shall not during the Term of this Agreement or any time after the expiration or termination of this Agreement, regardless of the cause of termination share or disclose Customer Data to (i) any Authorized User or (ii) any person, entity, or third party who is not an Authorized User, for any purpose other than to use these Services or operate the Franchised Business in accordance with the terms of this Agreement, the Franchise Agreement, Additional Services Agreements, the applicable terms of use and privacy policies, and Client's Privacy Policy.

c. **Authorized User Obligations.** In addition to any other confidentiality obligations Authorized Users may have due to their association with Client, Authorized Users shall not share or disclose Customer Data or Confidential Information to (i) any Authorized User or (ii) any

person, entity, or third party who is not an Authorized User, for any purpose other than to use these Services or operate the Franchised Business in accordance with the terms of this Agreement, the Franchise Agreement, Additional Services Agreements, the applicable terms of use and privacy policies, and Client's Privacy Policy.

d. **Breach of Confidentiality.** If Client or any Authorized User breaches its confidentiality duties under this Agreement or any Additional Services Agreement, then Client may also be deemed to be in default of the confidentiality provisions of the Franchise Agreement.

## **8. Warranties.**

a. **No Warranties.** EXCEPT AS SPECIFICALLY SET OUT IN THIS SECTION OR AN ADDITIONAL SERVICES AGREEMENT, THE SERVICES AND DOCUMENTATION ARE PROVIDED "AS IS" AND "AS AVAILABLE", WITHOUT ANY REPRESENTATIONS, WARRANTIES OR CONDITIONS OF ANY KIND. PROVIDER AND ITS AFFILIATES, EMPLOYEES, AGENTS, AND REPRESENTATIVES ("PROVIDER PARTIES") MAKE NO OTHER REPRESENTATIONS AND GIVE NO OTHER WARRANTIES OR CONDITIONS, EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE REGARDING THE SERVICES OR ANY PRODUCTS PROVIDED UNDER THIS AGREEMENT, AND PROVIDER PARTIES SPECIFICALLY DISCLAIM ANY AND ALL REPRESENTATIONS, WARRANTIES OR CONDITIONS OF MERCHANTABILITY, DURABILITY, TITLE, SECURITY, INFORMATIONAL CONTENT, SYSTEM INTEGRATION, ACCURACY, QUIET ENJOYMENT, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW. PROVIDER PARTIES DO NOT WARRANT THAT THE SERVICES WILL MEET CLIENT'S EXPECTATIONS OR BE SECURE, TIMELY, CONTINUOUS, UNINTERRUPTED OR FREE FROM DEFECTS OR ERRORS, THAT DEFECTS OR ERRORS WILL BE CORRECTED, OR THAT THE SERVICES WILL NOT BE INTERFERED WITH BY NUMEROUS FACTORS OUTSIDE OF PROVIDER PARTIES' CONTROL. PROVIDER PARTIES DO NOT OFFER A WARRANTY OR MAKE ANY REPRESENTATION REGARDING THE RESULTS OF USING THE SERVICES IN TERMS OF CORRECTNESS, ACCURACY, RELIABILITY, CUSTOMER BASE, COMMERCIAL ADVANTAGE, OR RISK OF INJURY TO CLIENT'S OR ANY USER'S SYSTEMS OR NETWORK. PROVIDER PARTIES MAKE NO WARRANTY THAT THE SERVICES OR THE TECHNOLOGY THAT MAKES THEM AVAILABLE ARE FREE OF VIRUSES OR OTHER DISABLING ELEMENTS.

b. **Limitation of Liability.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL PROVIDER PARTIES BE LIABLE TO CLIENT FOR ANY LOST PROFITS OR FOR ANY INCIDENTAL, PUNITIVE, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS, LOSS OF USE, LOSS OF INCOME OR PROFITS, BUSINESS INTERRUPTION, DAMAGE OR LOSS OF PROPERTY OR DATA (INCLUDING PROPERTY OR DATA HANDLED OR PROCESSED THROUGH THE USE OF THE SERVICES, DATA, OR DOCUMENTATION), LOST SAVINGS OR OTHER SIMILAR PECUNIARY LOSS), HOWEVER CAUSED AND UNDER ANY THEORY OF LIABILITY (INCLUDING NEGLIGENCE), WHETHER SUCH DAMAGES ARE ALLEGED IN TORT, CONTRACT OR ANY OTHER LEGAL OR EQUITABLE THEORY, AND WHETHER OR NOT CLIENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. UNLESS FURTHER

LIMITED BY THE TERMS OF AN ADDITIONAL SERVICES AGREEMENT, IN NO EVENT SHALL PROVIDER PARTIES' AGGREGATE LIABILITY FOR DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT FOR SERVICES PROVIDED BY PROVIDER PARTIES EXCEED THE TECHNOLOGY FEES PAID BY CLIENT IN THE SIX (6) MONTHS PRIOR TO THE DATE ON WHICH THE CLAIM AROSE. CLIENT ACKNOWLEDGES AND AGREES THAT THE LIMITATIONS SET FORTH IN THIS SECTION ARE INTEGRAL TO THE AMOUNT OF FEES CHARGED BY PROVIDER FOR THE SERVICES AND THAT IF PROVIDER PARTIES WERE TO ASSUME ANY FURTHER LIABILITY OTHER THAN AS SET FORTH HEREIN, THE FEES WOULD OF NECESSITY BE SUBSTANTIALLY INCREASED. THE PROVISIONS OF THIS AGREEMENT CONTAIN THE ENTIRE LIABILITY OF PROVIDER PARTIES, AND THE SOLE AND EXCLUSIVE REMEDY FOR CLIENT, FOR ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THE SERVICES, DATA, DOCUMENTATION, ADDITIONAL SERVICES AGREEMENTS, OR THIS AGREEMENT.

**9. Indemnification.**

a. **Client's Obligations.** Client shall fully indemnify, hold harmless and defend Provider, its affiliates, and their current, former and future directors, officers, employees, agents, stockholders, shareholders, members, employees and affiliates (collectively, "Indemnified Parties") from and against any and all claims, demands, actions, suits, damages, liabilities, losses, settlements, judgments, costs and expenses (including but not limited to reasonable attorneys' fees and costs), whether or not involving third party claims, which arise out of or are in any way related to (i) any breach of any representation or warranty of Client contained in this Agreement or any Additional Services Agreement; (ii) any breach or violation of any covenant or other obligation or duty of Client or its Authorized Users under this Agreement, any Additional Services Agreement, the applicable terms of use and privacy policies, or under applicable law; (iii) the unauthorized use of a Password that arises from the acts or omissions of Client or its owners, members, directors, officers, employees, agents, or independent contractors, whether Authorized Users or not; (iv) any claim or cause of action which arises, directly or indirectly, out of the operation of, or in connection with, the Franchised Business, as a result of the misuse of the Services, Data, and Documentation by Client or its owners, members, shareholders, directors, officers, employees, agents, or independent contractors, whether Authorized Users or not. Client's obligation under this Section 9(a) shall survive the termination, expiration, or nonrenewal of this Agreement.

b. **Notification.** Client agrees to immediately notify Provider of any claim of infringement by or challenge to Client's use of the Services, Data, or Documentation. Client must cooperate with Provider fully and communicate concerning such matter with no one but Provider and Provider's attorney(s). Provider has the exclusive right to take any such action as it may deem appropriate in connection with the foregoing, and to control any negotiations, administrative proceedings, litigation and/or settlement involving a challenge or claim that is related to the Services, Data, or Documentation.

**10. Miscellaneous Terms.**

a. **Independent Contractors.** The parties are independent contractors. Neither party shall be deemed to be an employee, agent, partner, joint venture or legal representative of the other for any purpose and neither shall have any right, power or authority to create any obligation or responsibility on behalf of the other.

b. **Assignment.**

- i. **Provider's Rights.** This Agreement, any Additional Services Agreement, and any and/or all of Provider's rights and/or obligations under this Agreement or any Additional Services Agreement, are fully transferable by Provider in Provider's sole discretion and will inure to the benefit of any person or entity to whom Provider transfers them, or to any other legal successor to Provider's interest in this Agreement or any Additional Services Agreement, including but not limited to any rights, titles, and interest in and to data or and intellectual property. If Provider transfers this Agreement, any Additional Services Agreements, or any and/or all of Provider's rights and/or obligations under this Agreement or any Additional Services Agreement, all past, current and future obligations of its (and of any of Provider's affiliates) to Client will cease and be forever extinguished. Provider shall be released from all obligations and liabilities arising out of or accruing in connection with this Agreement, including any Additional Services Agreement, after the date of such assignment, and Client's obligations and duties shall be and remain the same notwithstanding any such assignment.
- ii. **Client's Rights.** Client may assign the rights granted herein to its successor Client ("Successor Client") if Franchisor consents to Client's transfer or assignment of Client's Franchised Business to Successor Client pursuant to the terms of the Franchise Agreement and Successor Client executes the then current version of this Agreement. In no other event and to no other party shall Client assign this Agreement.
- c. **Binding Effect.** This Agreement and any Additional Services Agreement shall be binding upon, and inure to the benefit of, the parties hereto, and their permitted successors and assigns.
- d. **Modification.** No modification, waiver or amendment of this Agreement or any Additional Services Agreements, except as otherwise provided herein, will be valid unless in writing and signed by both parties.
- e. **Waiver.** No waiver by either party of any default shall be deemed as a waiver of any prior or subsequent default of the same or other provisions of this Agreement or any Additional Services Agreements.
- f. **Multiple Counterparts.** This Agreement and any Additional Services Agreements may be executed in several counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same Agreement or Additional Services Agreement. The parties may utilize electronic means, including electronic mail and facsimile, to execute and transmit the Agreement or any Additional Services Agreement and all such electronically transmitted copies of the Agreement or any Additional Services Agreement shall be deemed as valid as originals.
- g. **Choice of Law; Dispute Resolution.** This Agreement and any Additional Services Agreements shall be governed by choice of law and dispute resolution provisions set forth in the Franchise Agreement. To the extent that the choice of law and forum in the Additional Services Agreements are inconsistent with this Agreement, the terms of the Additional Services Agreement shall govern.



h. **Notices.** All notices required under this Agreement or any Additional Services Agreements shall be sent in accordance with the terms of the Franchise Agreement, including the addresses set forth in the Franchise Agreement for Client. The address for Provider will be the address of Window World, Inc. as set forth in the Franchise Agreement. To the extent that the notices provision in the Additional Services Agreements is inconsistent with this Agreement, the terms of the Additional Services Agreement shall govern.

i. **Force Majeure.** Neither party shall be deemed to be in breach of this Agreement or any Additional Services Agreement for any failure in, suspension of, or delay in performance caused by reasons beyond such party's reasonable control, including but not limited to acts of God, extreme weather, earthquakes, wars, terrorism, pandemics, communication failures, strikes (other than strikes at such party's facility or involving such party's employees), malicious code, or failure of services or technologies that are necessary to deliver the Services, such as failure of cloud platforms or other internet technologies. To the extent that the force majeure provision in the Additional Services Agreements is inconsistent with this Agreement, the terms of the Additional Services Agreement shall govern.

j. **Compliance with Law.** Each party agrees to fully comply with all applicable laws in their performance of the Agreement and any Additional Services Agreement, including relevant data privacy and data protection laws.

k. **Severability.** If any provision of this Agreement or any Additional Services Agreement is held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or operation of any other provision and such invalid provision shall be deemed to be severed from the Agreement or any Additional Services Agreement.

l. **Franchise Agreement.** It is expressly understood and agreed that this Agreement in no way limits, supersedes, alters, or otherwise changes the terms of any of Client's Franchise Agreements.

m. **Survival.** Sections 2(d)(v), (g), and (h), 3,6,7,8, and 9 will survive the termination of this Agreement.

n. **Entire Agreement.** This Agreement, together with all Exhibits, and Additional Services Agreements, Franchise Agreement, and any other documents incorporated herein by reference, constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any conflict between the terms and provisions of this Agreement and those of any Exhibit or Additional Services Agreement, the following order of precedence shall govern: (i) first, the Franchise Agreement, (ii) second, the applicable Additional Services Agreement, and (iii) third, this Agreement.

In witness whereof, the parties hereto have entered into this Master Services Agreement as of the Effective Date.

**Provider:**

WINDOW WORLD, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Client:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Provider:**

WINDOW WORLD TECHNOLOGIES, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## Exhibit 1

### Services:

1. WW360 Subscription, including WW360 Mobile access, are included in the monthly Technology Fee for each franchised location.
2. Window World Owner's Portal
3. Optional: Web Site Design and Management

### Fees:

The current fees for the Services are set forth below:

1. **Fees.**
  - a. Client shall pay the following fees (collectively, "Technology Fee").
    - i. Base Fee: \$\_\_\_\_\_ per month
    - ii. Additional Fee for Web Site Services: \$\_\_\_\_\_ per month
  - b. Client shall pay a "Start-Up Fee" of \$600.00 (waived for new franchisees)
  - c. Provider may increase the Technology Fee annually by the amount that is the greater of (i) two percent of the then-current Technology Fee or (ii) any other amount that Provider shall designate.
2. **Premium Services Fees.** If Provider offers and Client chooses to use Premium Services, Client shall pay a fee ("Premium Services Fee") set forth in the associated Additional Services Agreement or as otherwise set forth by Provider. Provider shall have the right to modify the Premium Service Fees upon at least thirty days' notice to Client.

### Current Required Hardware and Software for the Services:

- Google Chrome <sup>TM</sup> most recent and stable version
- Mozilla <sup>®</sup> Firefox <sup>®</sup> most recent and stable version
- Safari on devices that support iOS or Mac OS

(Chrome or Firefox are the recommended browsers. Provider will make every attempt to support the latest version as updates are released. Provider make no promise that all updates will be supported.)

EXHIBIT 2  
**Additional Services Agreements**

EXHIBIT 2-A  
**CUSTOMER RELATIONS MANAGEMENT AGREEMENT**

This Customer Relations Management Agreement (“CRM Agreement”) is effective as of \_\_\_\_\_ (“Effective Date”) is made and entered into pursuant to a Master Services Agreement between WINDOW WORLD, INC. (“WWI”), WINDOW WORLD TECHNOLOGIES, LLC (“WWT”), and \_\_\_\_\_ (“Client”) dated \_\_\_\_\_ (“Master Services Agreement”). WWI and WWT may be collectively or individually referred to as “Provider.”

This CRM Agreement adopts and incorporates by reference the terms and conditions of the Master Services Agreement. Terms capitalized herein but not defined shall have the meaning set forth in the Master Services Agreement. Pursuant to Section 1(b) of the Master Services Agreement, the parties wish to enter into this CRM Agreement for purpose of setting forth the rights and responsibilities of the parties regarding a certain portion of the Services described below.

**1. Software and Subscriptions.** Provider agrees to provide Client access to Provider’s customized customer relations management software-as-a-service, together with any modifications, enhancements, or corrections that Provider may make available from time to time (collectively, the “Software”) to Window World franchisees. Client acknowledges that a physical copy of the desktop Software is not being provided but that Client and Authorized Users will access the Software via an Internet connection. Provider grants Client sufficient user subscriptions to be used by Authorized Users in the operation of Client’s Franchised Business (“Subscription”). Subscriptions cannot be shared or used by more than one Authorized User and cannot be used by anyone other than an Authorized User. Client shall Fully Implement and use the Software and Subscription, as each may be modified from time to time, in accordance with Franchisor’s requirements, instructions, and standards; provided, however, that Client is not obligated to use Premium Services associated with the Software or Subscription. Currently, “Fully Implement” for the Software means that Client enters complete and correct data into Franchisor’s proprietary customer relationship management system and actively uses its six core functions: budgeting, advertising costs, product list developed, scheduling and resulting of all sales appointments, production pipeline, and service pipeline.

**2. Client Support.** WWT shall: (i) provide to Client basic support for the Software at no additional charge, and/or upgraded support if purchased separately, including, but not limited to, custom programming for franchisee specific requests, if permitted and (ii) use commercially reasonable efforts to make the Software available 24 hours a day, 7 days a week, except for: (a) planned downtime, or (b) any unavailability caused by circumstances beyond WWT’s reasonable control, including, without limitation, acts of God, acts of government, flood, fire, earthquakes, civil unrest, acts of terror, strikes or other labor problems, Internet service provider failures or delays, or cloud hosting provider interruptions.

**3. Training.** WWT shall provide training to Client, its managers, or its employees designated by Client on the use of the Software and related Documentation. WWT operates under a “Train the Trainer” model, training a designated “Super User” and/or Client. This training is offered monthly via webinar at such times and in such manner as WWT designates. Such online training will be provided to the Super User and/or Client at no additional charge. WWT also posts

video tutorials online from time to time for use by Client's Authorized Users, which cover features or functionality of the Software. The Software also contains a HELP feature, available to users. Any additional training (e.g., via telephone or in person) will be provided at such time and in such manner as WWT and Client agree and may be subject to an hourly rate, in addition to the Technology Fee set forth in Exhibit 1 to the Master Services Agreement.

**4. Backup of Data.** Client is able to configure a weekly automated backup of data from Client's Franchised Business.

**5. Integrations.** WWT will work with Client to assist with integrations between the Software and other approved platforms. Any integration must not negatively impact the Software and/or its resources. Custom integrations may result in additional charges to Client.

In witness whereof, the parties hereto have entered into this Customer Relations Management Agreement as of the Effective Date.

**Provider:**

WINDOW WORLD, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Provider:**

WINDOW WORLD TECHNOLOGIES, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Client:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT 2-B  
**WEB SITE DESIGN AND MANAGEMENT AGREEMENT**

This Web Site and Design and Management Agreement (“Web Site Agreement”), entered into as of \_\_\_\_\_ (“Effective Date”) is made and entered into pursuant to a Master Services Agreement (“Master Services Agreement”) between WINDOW WORLD, INC. (“WWI”), WINDOW WORLD TECHNOLOGIES, LLC (“WWT”), and \_\_\_\_\_ (“Client”). WWI and WWT may together be referred to as “Provider.”

This Web Site Agreement adopts and incorporates by reference the terms and conditions of the Master Services Agreement. Terms capitalized herein but not defined shall have the meaning set forth in the Master Services Agreement. Pursuant to Section 1(b) of the Master Services Agreement, the Parties wish to enter into this Web Site Agreement for purpose of setting forth the rights and responsibilities of the Parties regarding a certain portion of the Services described below.

**1. Web site.** Provider will register a domain name for the use by Client as a Window World franchisee (hereinafter, “Web Site”). Provider will own all such domain names and the Web Site. Provider will provide to Client a prepopulated Web Site with limited customization features. Client agrees to transfer and assign any and all existing domain registration(s) currently in use in its franchised business, if any, to Provider as Provider designates.

**2. Scope of Work.** Client hereby retains the services of Provider to design, develop and manage the Web Site for Client pursuant to the terms set forth below. Provider shall have the right to modify the templates provided for the Web Site at any time in Provider’s sole discretion provided the new templates meet or exceed the minimum level of functionality described in this Section 2:

Provider will provide a customized Web Site for Client’s franchised location, incorporating current best practices and design, optimized for current popular devices. Additional zone file edits will be configured at Client’s request. Service incorporates organic search engine optimization, including content optimization, title tag optimization, key word optimization and site map submissions. The Web Site will be secure with an SSL certificate and brute force prevention. Hosting servers maintain a 99.9% uptime. Client shall enjoy access to all Web Site analytics, unlimited analytics support and technical support, without incurring any additional charges. Provider will work with Client’s third-party email provider to configure domain specific email. The Web Site will be compatible with mobile or tablet devices currently in use and with popular internet browsers. Client will have access to Google Analytics for the Web Site.

**3. Customization & Activation of Web Site.** Provider and Client shall meet either in person or by telephone to discuss the initial customization of the Web Site. Within thirty days of receipt of a completed Attachment 1 in the form attached hereto, Provider will present to Client the customized Web Site for review and approval. Once approved, the parties will agree to a go live date (“Go-Live Date”). If Client neglects to review the Web Site within thirty days after notice by Provider, the Web Site will be deemed approved and Provider can schedule the Go-Live Date. For new franchised locations, Provider will coordinate the updating of the “Locations” information

on [www.WindowWorld.com](http://www.WindowWorld.com) to coincide with the Go-Live Date, reflecting Client's franchised location as a part of the Window World franchise system.

**4. Changes to the Site.** Requests to update the Web Site shall be made by email submission to [webservices@WindowWorld.com](mailto:webservices@WindowWorld.com) or through another method that Provider may designate from time to time. All requests will be reviewed and those approved will be implemented within five business days. Provider will inform the Client if a request is not approved or if a request is approved but not capable of being implemented within five business days. The Client and their authorized individuals are able to initiate certain updates to their Web Site from the Web Site itself. When an update is initiated in this manner, an email is automatically generated and sent to [webservices@WindowWorld.com](mailto:webservices@WindowWorld.com) for approval. Auto generated requests will be reviewed within three business days. A Client is entitled to an unlimited number of updates to their Web Site, however, Provider reserves the right to limit the number of updates to a Web Site or otherwise prioritize update requests, if an excessive number of requests are submitted.

**5. Materials Provided by Client.** All materials supplied by Client may be provided by email. Acceptable file types include standard Microsoft Office extensions, compatible Adobe Suite files, and .ZIP. Other file types may be permitted with prior permission. If Client elects to include Window World financing options on their Web Site, Client must supply Provider with the appropriate required financial disclosure language. Materials and content necessarily include, but are not limited to, any testimonial(s) and/or image(s) that Client submits to Provider. All materials included on the Web Site are subject to Provider's initial and continued approval. Nothing herein shall act to diminish or alter Provider's authority to approve or revoke approval for the content of any advertising, which includes the Web Site.

**6. Term and Termination.** This Agreement shall commence on the date of execution of the Franchise Agreement and, unless terminated earlier under the terms of this Agreement, terminates upon the earlier of (i) the expiration, non-renewal, or termination of the Franchise Agreement for any reason, (ii) one (1) year from the Effective Date, or (iii) the expiration, non-renewal, or termination of the Master Services Agreement. In these instances, if the expiration or termination occurs in the middle of a billing period, Client shall not be entitled to a refund of any fees for the remaining portion of the billing period. Upon the conclusion of a one (1) year term, this Agreement shall automatically renew for consecutive one (1) year periods unless terminated upon ninety (90) days written notice from Provider that Client must sign the then-current form of this Agreement or from Client to Provider. Additionally, Client may terminate this Agreement by providing at least thirty (30) days notice. In circumstances where Client is initiating termination or non-renewal, the Provider shall stop providing the Services and stop billing Client on the first day of the billing period that immediately follows the applicable notice period.

**SIGNATURE PAGE FOLLOWS**



In witness whereof, the parties hereto have entered into this Web Site and Design and Management Agreement as of the Effective Date.

**Provider:**

WINDOW WORLD, INC.

**Provider:**

WINDOW WORLD TECHNOLOGIES, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Client:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTACHMENT 1 TO EXHIBIT 2-B  
PROJECT MATERIALS**

**Things needed to get your site online.**

\*All images need to be as large as possible

- You will need to have a written about us page (max 625 characters) and image of store (500 x 300)
- Photo of yourself (for promo callout – if desired)
- Payment types accepted
- Geomodifier (well know name of local area)
- FAQ's
- Year established
- Web site Phone (if different)

**This form will need to be completed for each web site.**

<b>*If another company has your domain name</b>	
You will need to have them transfer it to the following corporate GoDaddy account (give them this information to transfer it):	
<b>Customer Number</b>	19714600
<b>Email Address</b>	mbumgarner@windowworld.com
<b>Any questions call or email Alex</b>	336-667-2100 x4724; abaronciani@windowworld.com

<b>Only if you have possession of your domain (in your own account).</b>	
<b>Provide your domain name login information.</b>	
<b>Domain Name</b>	
<b>Contact Information</b>	
<b>Phone</b>	
<b>Fax</b>	
<b>Email</b>	
<b>Address</b>	
<b>Zip Code</b>	
<b>Host</b>	
<b>Username</b>	
<b>Password</b>	

<b>Contact Information</b>	
<b>Phone</b>	
<b>Fax</b>	
<b>Email</b>	
<b>Address</b>	
<b>Zip Code</b>	

<b>Yes</b>	<b>No</b>	<b>Products your store offers</b>	<b>Preferred Vendor (if applicable)</b>
<input type="checkbox"/>	<input type="checkbox"/>	Windows	
<input type="checkbox"/>	<input type="checkbox"/>	Siding	
<input type="checkbox"/>	<input type="checkbox"/>	Entry Doors	
<input type="checkbox"/>	<input type="checkbox"/>	Shutters	
		Garage Doors	
		Patio Doors	
		Storm Doors	
		Impact Products	
<b>List any additional products your store offers below:</b>			

You will need to provide information and image assets for non-core products, i.e. gutters or columns.

Do you have:	Yes	No	Link
Facebook	<input type="checkbox"/>	<input type="checkbox"/>	
YouTube	<input type="checkbox"/>	<input type="checkbox"/>	
X	<input type="checkbox"/>	<input type="checkbox"/>	
Google My Business (GMB)	<input type="checkbox"/>	<input type="checkbox"/>	
Instagram	<input type="checkbox"/>	<input type="checkbox"/>	
Pinterest	<input type="checkbox"/>	<input type="checkbox"/>	
Other social media or business listings:	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	

EXHIBIT 2-C  
**OWNER'S PORTAL TERMS OF USE AGREEMENT**

This Owner's Portal Terms of Use Agreement ("Terms of Use Agreement"), entered into as of \_\_\_\_\_ ("Effective Date") is made and entered into pursuant to a Master Services Agreement ("Master Services Agreement") between WINDOW WORLD, INC. ("WWI"), WINDOW WORLD TECHNOLOGIES, LLC ("WWT"), and \_\_\_\_\_ ("Client"). WWI and WWT may be collectively referred to as "Provider."

This Terms of Use Agreement adopts and incorporates by reference the terms and conditions of the Master Services Agreement. Terms capitalized herein but not defined shall have the meaning set forth in the Master Services Agreement. Pursuant to Section 1(b) of the Master Services Agreement, the parties wish to enter into this Terms of Use Agreement for purpose of setting forth the rights and responsibilities of the parties regarding a certain portion of the Services as described below.

**1. Owner's Portal.** WWI hosts electronic list serves and discussion groups through the Window World Owner's Portal for the benefit of its franchisees, such as Client. Client's unrestricted access to this Owner's Portal, which hosts electronic listservs and discussion groups, is intended to facilitate electronic communication and sharing of ideas among Client, WWI, and WWI's other franchisees ("Electronic Communications"). Participation in Electronic Communications is a privilege provided by WWI to franchisees in good standing under the terms of their franchise agreements and who abide by the terms of this Terms of Use Agreement. Client acknowledges that WWI is under no obligation to provide the list serves, discussion groups, portal, or any related services to Client, and WWI may terminate providing these services to Client without notice to Client or to any other participant at the sole discretion of WWI.

**2. Rules.** The following are the rules and regulations governing use of and participation in Electronic Communications hosted by WWI. Client's continued participation in the Electronic Communications manifests Client's consent to the terms of use and WWI may change the terms of use at any time provided that WWI notifies Client of the changes on or before the next time Client participates in Electronic Communications after the changes have taken effect.

**3. Limitations.** These terms of this Terms of Use Agreement are specific to the *Owners Section* of the Owner's Portal, which gives Client unrestricted access to all of the WWI resources on the Owner's Portal. It is acknowledged and understood that Client may give Client's design consultants, general managers, and vendors *restricted* access to a portion of the Owner's Portal, which was designed specifically for design consultants, general managers, and vendors, respectively. This Terms of Use Agreement in no way limits Client's ability to issue design consultant and vendor specific credentials to these individuals; in fact, WWI encourages Client to do so. It is, however, acknowledged and agreed that the terms set forth herein below specifically prohibit Client's dissemination of Client's unrestricted, full access Owner's Portal credentials which are intended for use only by those individuals named on the Franchise Agreement.

**4. Confidentiality.** In addition to Client's confidentiality obligations under the Master Services Agreement, by participating in or receiving Electronic Communications, Client agrees and warrants that Client will not disclose to any Unauthorized Party, as hereinafter defined, any information contained in or disseminated through Electronic Communications. "Unauthorized Parties" are any individuals, corporations, or other entities other than WWI, its employees, and its franchisees who have consented to abide by the terms of use of the Electronic Communications and have an active online account allowing them to participate in the list serves and discussion groups ("Unauthorized Parties"). Unauthorized Parties include, but are not limited to, competitors and vendors of WWI and its franchisees, as well as employees and subcontractors of WWI's franchisees. If Client discloses Electronic Communications to any Unauthorized Parties, then Client will be deemed in default of this Agreement and Client's access to future Electronic Communication will, at the option of WWI, be terminated and Client may be deemed to be in default of the confidentiality provisions in the Franchise Agreement.

**5. Reliability of Information.** Some of the Electronic Communications may be moderated; some may not. In any case, messages posted by other parties to the list serves or discussion groups are not under the control of WWI. WWI is not responsible for and has no control over the content, accuracy or opinions expressed in such postings. WWI DOES NOT ENDORSE AND IS NOT RESPONSIBLE FOR THE ACCURACY OR RELIABILITY OF ANY OPINION, ADVICE OR STATEMENT MADE THROUGH THE LIST SERVES BY ANY OTHER PARTY. UNDER NO CIRCUMSTANCE WILL WWI BE LIABLE FOR ANY LOSS OR DAMAGE CAUSED BY CLIENT'S RELIANCE ON INFORMATION OBTAINED THROUGH THE LIST SERVES. IT IS CLIENT'S RESPONSIBILITY TO EVALUATE THE ACCURACY, COMPLETENESS OR USEFULNESS OF ANY OPINION, ADVICE OR OTHER CONTENT AVAILABLE THROUGH THE LIST SERVES. Further, Provider makes no representations and warranties regarding the Owner's Portal or Electronic Communications, as further detailed in Section 8 of the Master Services Agreement.

**SIGNATURE PAGE FOLLOWS**

In witness whereof, the parties hereto have entered into this Owner's Portal Terms of Use Agreement as of the Effective Date.

**Provider:**

WINDOW WORLD, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Provider:**

WINDOW WORLD TECHNOLOGIES, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Client:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT 2-D  
ACH/EFT Transfer Agreement and Credit Card Authorization



AUTHORIZATION TO HONOR CHECKS AND DEBITS BY AND PAYABLE TO THE  
FOLLOWING PAYEE(S):

The undersigned depositor ("Franchisee" or "Payor") hereby authorizes WINDOW WORLD TECHNOLOGIES, LLC ("Payee") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the bank designated below ("Bank") to debit or credit such account(s) pursuant to Payee's instructions.

Name of Person or Legal Entity of Franchisee: \_\_\_\_\_  
ID Number: \_\_\_\_\_  
Bank: \_\_\_\_\_  
Branch: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Bank Transit/ABA Number: \_\_\_\_\_  
Account Number:\* \_\_\_\_\_  
\*To be communicated orally

This authority is to remain in full and force and effect until sixty (60) days after Payee has received written notification from Franchisee of its termination.

FRANCHISEE/PAYOR: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**INDEMNIFICATION AGREEMENT**

To the above named Payee and the Bank designated:

The Payor agrees with respect to any action taken pursuant above authorization:

1. To indemnify the Bank and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Bank in the regular course of business for the purpose of payment, including any costs or expenses reasonably in collection therewith.
2. To indemnify Payee and the Bank for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.
3. To defend at Payor's cost and expense any action which might be brought by any depositor or any other persons because of any actions taken by the Bank of Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Bank's or Payee's participation therein.

**BE SURE THAT ALL INFORMATION ASKED FOR IS PROVIDED**



## CREDIT CARD BILLING AUTHORIZATION FORM

### Client Information

Franchised Location: \_\_\_\_\_  
Contact: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Email: \_\_\_\_\_

I understand the amount invoiced is pursuant to my Master Services Agreement with Window World, Inc and Window World Technologies, LLC. I am responsible for payment on all services provided, pursuant to the contracted terms.

Card Type: \_\_\_\_\_ Card Number: \_\_\_\_\_ Expires: \_\_\_\_\_  
☐ American  
☐ Express Master  
☐ Card  
☐ Visa

Cardholder's Name (as shown on credit card): \_\_\_\_\_ Billing Zip Code (required): \_\_\_\_\_

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

### Automatic Billing

I hereby authorize Window World Technologies, LLC. to initiate charges on the credit card listed above, **on the date that Master Services Agreement is executed**, pursuant to the terms of my Master Services Agreement. I further authorize Window World Technologies, LLC. to charge the credit card listed above, once a month on the 1<sup>st</sup> of each month thereafter, for the entire term of the Agreement. I acknowledge that the origination of the charges to my account must comply with applicable U.S. regulations. I am responsible for payment of services rendered with this credit card.

Franchised Location (Please print): \_\_\_\_\_ Date: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

\*The signatory above hereby affirms that they are a Window World Franchisee and a duly-authorized representative of the Franchise Location. Client agrees that all information provided herein is accurate and complete. Client further agrees that all services may be immediately terminated at WINDOW WORLD TECHNOLOGIES LLC's discretion if any charges are declined. Changes in the status of this card should be reported to Andrea Scott at [ascott@windowworld.com](mailto:ascott@windowworld.com).

## EXHIBIT 2-E

### Premium Services Amendment

This Premium Services Amendment (“Amendment”) is made and entered into as \_\_\_\_\_ (“Effective Date”) by and between WINDOW WORLD TECHNOLOGIES, LLC and WINDOW WORLD, INC. (together and individually, “Provider”) and \_\_\_\_\_ (“Client”).

This Web Site Agreement adopts and incorporates by reference the terms and conditions of the Master Services Agreement and the CRM Agreement. Terms capitalized herein but not defined shall have the meaning set forth in the Master Services Agreement. Pursuant to Section 1(e) of the Master Services Agreement, the Parties wish to enter into this Premium Services Amendment for purpose of reflecting their agreement regarding new Premium Services offered by Provider and accepted by Client.

1. **New Premium Services.** Client hereby accepts the following terms and conditions for the Premium Services described below:

**Description of Premium Services:** WW360 Campaigns adds functionality to WW360, allowing Client to manage customer/lead communication (currently through SMS and email) and view activity on a calendar. Client will have the ability to set up and manage campaigns and the processing rules within each campaign as well as view various metrics regarding the effectiveness of a campaign. Access and use of WW360 Campaigns is subject to the terms of the Customer Relations Management Agreement and the MSA.

There is a monthly limit of 7,500 WW360 Campaigns outbound messages. Overages will be charged at \$0.01/message and included on Client’s next month’s invoice.

**Fees and Method of Payment:**

- Provider currently charges **\$299.00** per month for WW360 Premium Services. This fee is in addition to the Technology Fee.
- The additional fee is billed to Client in the same manner that Client pays the Technology Fee.
- The monthly fee is paid in advance of services provided. Provider will bill Client no later than the 15<sup>th</sup> of the month for WW360 Premium Services to be used during following month.
- Provider may alter the WW360 Premium Services fee upon 30 days’ notice to Client.
- As noted above, message overages will be billed on the next month’s invoice.

**How to Activate or Cancel WW360 Premium Services:**

- First time users must execute this Amendment.
- First time users will receive 3 consecutive months of WW360 Premium Services for free. Client will be billed in advance for the 4<sup>th</sup> month of services no later than the 15<sup>th</sup> day of the 3<sup>rd</sup> month.
- To cancel WW360 Premium Services, Client must provide written notice to Provider **through an email to [ww360premium@windowworld.com](mailto:ww360premium@windowworld.com) no later than NOON**

**eastern time, on the last business day of the month prior to the cancellation date.**

WW360 Premium Services will then be deactivated on the last business day of the next month. For example, if Client does not want to use WW360 Premium Services after August, Client must send the cancellation email to Provider no later than noon eastern time on the last business day of July. Client will be billed for both July and August.

- To reactivate WW360 Premium Services, Client must provide written notice to Provider **through an email to [ww360premium@windowworld.com](mailto:ww360premium@windowworld.com)**, with the desired date of activation. Client will be charged the full monthly fee for any mid-month activations (WW360 Premium Services are not prorated).

\_\_\_\_ Client desires to activate WW360 Premium Services effective \_\_\_\_\_ and continuing until Client provides its cancellation notice.

2. **Miscellaneous.** Any capitalized terms not defined herein shall have the meaning given them in the MSA. Except as otherwise expressly set forth in this Amendment, nothing shall be deemed to modify the terms of the MSA. In case of any conflict in the terms of this Amendment and the MSA, the term of this Amendment shall govern.

In witness whereof, the parties hereto have entered into this Amendment as of the Effective Date.

**Provider:**

WINDOW WORLD, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Provider:**

WINDOW WORLD TECHNOLOGIES, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Client:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT I  
NON-OPERATING OWNER AMENDMENT

This Non-Operating Owner Amendment (“Amendment”) is made and entered into as of \_\_\_\_\_ by and between WINDOW WORLD, INC., a North Carolina corporation with its principal office and place of business in Wilkes County, North Carolina (“Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ (collectively, “Franchisee”).

WHEREAS, Franchisor entered into a Franchise Agreement of even date herewith (“Franchise Agreement”), wherein Franchisor granted Franchisee a license to own and operate a Window World franchised business in \_\_\_\_\_ (“Franchised Business”);

WHEREAS, \_\_\_\_\_ (“Non-Operating Owner”), as owner of \_\_\_\_\_, agreed to the terms of the Franchise Agreement;

WHEREAS, due to Non-Operating Owner’s limited involvement with the Franchised Business, Franchisee and Franchisor now desire to modify certain terms of the Franchise Agreement as such terms apply to Non-Operating Owner.

NOW, THEREFORE, in consideration of the mutual covenants of the parties herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the Agreement is hereby amended as follows:

**1. Personal Participation.** Notwithstanding anything in the Franchise Agreement to the contrary, Non-Operating Owner shall have no right to (i) personally operate or manage the Franchised Business, (ii) personally acquire products on behalf of Franchisee, Franchisor, or the Window World brand, or (iii) install products or provide services of Franchisee, Franchisor, or the Window World brand. Non-Operating Owner shall have no right to serve as the Operating Owner.

**2. Training.** Section 4(a)(iii) of the Franchise Agreement shall not apply to Non-Operating Owner. The Franchise Agreement shall be amended to provide that Non-Operating Owner has no obligation to attend training by Franchisor and Franchisor has no obligation to provide Non-Operating Owner with any training.

**3. Entire Agreement.** This Amendment together with the Franchise Agreement contain the entire agreement among the parties hereto with respect to the matters contemplated hereby and supersedes all prior agreements and undertakings between the parties with respect to such matters. In the event that any terms within the Franchise Agreement and this Amendment shall conflict, this Amendment shall govern the terms of both agreements. This Amendment may not be amended, modified or terminated in whole or in part, except in writing, executed by each of the parties hereto, which writing shall identify by specific reference this Amendment. Any terms not defined herein shall have the meaning assigned to them in the Franchise Agreement.

**4. Confidentiality Agreement.** Franchisee covenants that this Amendment, and all facts and events giving rise thereto shall be kept absolutely confidential, and under no

circumstances shall Franchisee disclose any information concerning these events to any third party.

In witness whereof, the parties have signed this Agreement on the date first above written.

**FRANCHISOR:**

WINDOW WORLD, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

**Non-Operating Owner:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

EXHIBIT J  
**AGREEMENT AND CONDITIONAL CONSENT TO TRANSFER**  
(Current Form; Subject to Change)

This Agreement and Conditional Consent to Transfer (“Agreement”) dated as of \_\_\_\_\_ (“Effective Date”) is made among WINDOW WORLD, INC. (“Franchisor”), \_\_\_\_\_ (“Seller”), and \_\_\_\_\_ (“Buyer”), effective as of the date this Agreement is signed by Franchisor.

A. Seller is the franchisee pursuant to the Window World of \_\_\_\_\_ license/franchise agreement entered into between Franchisor and Seller, as franchisee, dated \_\_\_\_\_ (“Seller Franchise Agreement”), governing the operation of a business that sells, markets, and installs custom-made windows, siding, and doors for residential and light commercial use (“Franchised Business”);

B. Buyer has submitted all required documentation in order for Window World to qualify the Buyer in accordance with Window World’s qualification process;

C. Seller will provide Franchisor with the Asset Purchase Agreement (“Purchase Agreement”), pursuant to which Seller will sell and Buyer has will agree to purchase all of the rights, obligations and assets relating to the Franchised Business (“Interests”); and

D. Buyer has agreed to assume the lease obligations with regard to each location where the Franchised Business is operated from (collectively, the “Transfer”); and

E. Seller has requested that Franchisor consent to the Transfer; and

F. The parties desire to set forth the terms and conditions under which Franchisor will consent to the Transfer and release Seller from certain further obligations and liabilities.

For and in consideration of the foregoing recitals, which are incorporated herein, the mutual covenants expressed herein and other valuable consideration, receipt and sufficiency of which are acknowledged, the parties agree as follows:

**1. Effective Date of the Transfer.** The “Effective Date of the Transfer” will be the date the closing occurs under the Purchase Agreement and the assets of the Franchised Business are assigned from Seller to Buyer (“Closing”). For the avoidance of doubt, Seller’s franchise rights will not transfer to Buyer unless the Closing occurs. Closing must occur within sixty (60) days of the date this Agreement is signed by Franchisor.

**2. Conditional Consent.** Buyer will purchase the Interests from Seller in accordance with the terms and conditions of the Purchase Agreement. The Seller Franchise Agreement provides that the Transfer cannot take place without the consent of Franchisor. Subject to the terms below and Seller’s continuing obligations, Franchisor will consent to the Transfer, as provided in the Seller Franchise Agreement, and will release Seller from any obligations arising under the Seller Franchise Agreement (in each case except as described below) from and after the Effective

Date of the Transfer; provided, however, such consent and release are expressly contingent upon compliance with the following terms and conditions on or before Closing:

a. **Acceptance of the Purchase Agreement.** Seller and Buyer agree to provide Franchisor a copy of their Purchase Agreement and shall obtain Franchisor's written acceptance of it. Once accepted, the Purchase Agreement shall not be amended and the terms of the transaction thereunder shall not be materially changed except with the prior written consent of Franchisor.

b. **Seller's Obligations Through Closing.** Seller acknowledges and agrees that it must maintain a Headquarters in its territory, service customers, and continue to abide by the terms of the Seller Franchise Agreement until the Closing. Seller acknowledges and agrees that its failure to continue to operate until the Closing would violate the terms of the Seller Franchise Agreement and may result in termination of its Seller Franchise Agreement.

c. **Franchise Agreements.** The Seller Franchise Agreement will terminate as of Closing, and the operation of the Franchised Business will thereafter be governed by the franchise agreement between Franchisor and Buyer ("Buyer Franchise Agreement"). Notwithstanding the foregoing or anything in this Agreement to the contrary, if the Closing never occurs and Buyer does not purchase the assets of the Business from Seller, the Seller Franchise Agreement shall not terminate but shall continue in full force and effect. Seller understands and acknowledges that the Buyer must receive a copy of Franchisor's current franchise disclosure document a sufficient amount of time in advance to comply with applicable Federal and State waiting periods, and the Closing will not be able to occur until these timelines have been met or during a time Franchisor is unable for any reason to legally sell a franchise in the Seller's state.

d. **Payment of Amounts Due.** Seller will pay all amounts due and owing to Franchisor through the date of Closing in the amount of \$\_\_\_\_\_.

e. **Transfer Fee.** Seller shall pay to Franchisor, upon execution of this Agreement, a transfer fee in the amount of \$\_\_\_\_\_. The transfer fee shall be held in escrow by Franchisor until the Closing.

f. **Seller's Transfer Obligation Deposit.** If the Transfer is an asset sale or other transaction where Seller's business entity will no longer be operating the Franchised Business, Seller shall pay Franchisor, upon execution of this Agreement, the greater of Ten Thousand Dollars (\$10,000) or one percent (1%) of the purchase price ("Deposit"). The Deposit will be refunded to Seller within thirty (30) days of Franchisor accepting Seller's evidence and certification that each of Seller's obligations under Section 2 of this Agreement have been timely completed, which acceptance will not be unreasonably withheld. If Seller does not timely comply with all requirements, Franchisor shall be entitled to retain the Deposit.

g. **Vendor Liability.** If the Transfer is an asset sale or other transaction where Seller's business entity will no longer be operating the Franchised Business, Seller shall pay all liabilities to vendors upon or prior to Closing and provide evidence of the same to Franchisor.

h. **Financial Statements.** Seller will provide Franchisor with all required financial statements for the Franchised Business through the date of Closing.

i. **Customer Information.** Within five (5) days of the execution of this Agreement, Seller shall comply with Franchisor's instructions regarding transfer of the customer information to Buyer and/or Franchisor, which may require Seller to take certain actions using Franchisor's customer relations management software. Seller's customer list shall identify any outstanding payment obligation for any customer. Should Seller successfully undertake collection efforts after the Closing, Seller agrees that it will notify Franchisor and provide detailed information of the same.

j. **Service and Warranty Obligations.** Seller and Buyer acknowledge and agree that it is the policy of Franchisor to require that any Buyer of an existing Window World territory is required to assume all service and warranty obligations for work that was performed in the Territory or by Seller, whether inside the Territory or not, unless an exception applies. As such, notwithstanding anything in any other agreement to the contrary, Buyer shall assume Seller's service and warranty obligations.

k. **Buyer Loans.** Buyer shall provide Franchisor with copies of all loan documents or loan commitments evidencing all debt taken on by Buyer in connection with the purchase of the Franchised Business.

l. **Right to Possession.** Buyer will provide satisfactory evidence to Franchisor that Buyer has the right to possession of each premises for the Franchised Business by way of lease assignment (with **all** required landlord consents) or otherwise.

m. **Training.** Buyer and/or Buyer's designated representative(s) shall satisfactorily complete the initial training program as described in the Buyer Franchise Agreement at the time mutually agreed upon by Buyer and Franchisor.

n. **Compliance Pre-Sale Inspection; Consent to Transfer.** Seller and Buyer shall ensure that all of the items reflected on the pre-sale inspection list attached hereto as Attachment 2 ("Pre-Sale Inspection") have been completed. Seller and Buyer acknowledge and understand that the Closing will not take place until any and all issues identified on the Pre-Sale Inspection have been addressed. When any and all deficient items reflected on the Pre-Sale Inspection have been addressed, Franchisor shall execute the Consent to Transfer ("Consent") that is attached hereto as Attachment 1 and provide the Seller and Buyer with a copy of the same. The Seller agrees that as of the date of execution by Franchisor of the Consent, the Purchase Agreement provided by the Seller and Buyer to Franchisor will not be amended and the terms of the transaction thereunder will not be changed except with the prior written consent of Franchisor.

o. **Business Entity.** Within thirty (30) days of Closing, Seller shall (i) cease engaging in any commerce with the Seller's business entity; (ii) change the name of any business entity that bears any of Franchisor's trademarks so it no longer includes any of Franchisor's trademarks in the name; (iii) cancel any fictitious name or "doing business as" certificates filed



by Seller utilizing Franchisor's trademarks; and (iv) forward evidence of the completion of the foregoing to Franchisor, attention LEGAL DEPARTMENT.

p. **Default by Buyer.** The Buyer and Seller acknowledge and agree that should they enter into a Purchase Agreement whereby the terms of that Agreement require the Buyer to finance payment of the purchase price over time, and/or that the Seller requires that the Buyer pledge the Buyer Franchise Agreement as collateral to the transaction, Franchisor shall have the right, but not the obligation, to reapprove the Seller as a franchisee in the event of default by the Buyer under the terms of the Purchase Agreement. As such, the reversion of the interest in the Buyer Franchise Agreement is strictly conditioned upon the Seller meeting Franchisor's then-current qualifications. The parties acknowledge and agree that in order to protect the Window World® brand, trademarks and goodwill, Franchisor must qualify the Seller upon default of the Buyer, before the license can revert to the Seller. Seller further acknowledges and agrees that qualification is at the sole discretion of Franchisor and the decision by Franchisor to not permit the reversion of the license to the Seller shall not and cannot be deemed to be an interference with the contractual relations between Seller and Buyer by Franchisor.

3. **Survival of Seller Obligations.** Notwithstanding anything in this Agreement to the contrary, the provisions of the Seller Franchise Agreement shall survive that, either expressly or by their nature survive termination of the Seller Franchise Agreement and execution of this Agreement (including without limitation the post-termination restrictive covenants, audit rights, dispute resolution and notice, indemnification, and confidentiality provisions of the Seller Franchise Agreement).

4. **Release of Franchisor.** Seller and Buyer for themselves and on behalf of their respective predecessors, parents, affiliates, subsidiaries, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns ("Releasors") hereby fully and forever unconditionally release and discharge Franchisor, Franchisor's predecessors, parents, affiliates, and subsidiaries, and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities ("Released Parties"), from any and all claims, demands, obligations, actions, liabilities and damages of every kind or nature whatsoever, in law or in equity, whether known or unknown to them, which they may have against the Released Parties as of the date of this Agreement, or which may thereafter be discovered, accrued, or sustained, in connection with, as a result of, or in any way arising from, any relations or transactions with the Released Parties, however characterized or described, including but not limited to, any claims arising from the Seller Franchise Agreement, the Franchised Business, the Buyer Franchise Agreement, or the Purchase Agreement, or the transactions described herein.

If the Franchised Business is located in California or if either Buyer or Seller is a resident of California, the following shall apply:

**Section 1542 Acknowledgment.** It is the intention of Seller and Buyer in executing this Agreement that this instrument be and is a general release which shall be effective as a bar to each and every claim, demand or cause of action released by Seller and/or Buyer. Each of Seller and

Buyer recognizes that he, she or it may have some claim, demand or cause of action against the Release Parties of which he, she, or it is totally unaware and unsuspecting, which he, she or it is giving up by executing this Agreement. It is the intention of each of Seller and Buyer in executing this instrument that it will deprive him, her or it of such claim, demand or cause of action and prevent him, her or it from asserting it against the Released Parties. In furtherance of this intention, Seller and Buyer expressly waive any rights or benefits conferred by the provisions of Section 1542 of the California Civil Code, which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

Each of Seller and Buyer acknowledges and represents that he, she, or it has consulted with legal counsel before executing this Agreement and that he, she, or it understands its meaning, including the effect of Section 1542 of the California Civil Code, and expressly consents that this Agreement shall be given full force and effect according to each and all of its express terms and provisions, including, without limitation, those relating to the release of unknown and unsuspected claims, demands and causes of action.

**5. Right of First Refusal.** Subject to the ultimately closing of the transaction between Buyer and Seller, Franchisor hereby waives any right of first refusal to purchase the Interests as it may have pursuant to the Seller Franchise Agreement.

**6. Acknowledgment.** Buyer and Seller acknowledge that although Franchisor or its affiliates, employees, officers, directors, successors, assigns, and other representatives may have been involved in Buyer's purchase of the Interests from Seller, Buyer and Seller have assumed sole and full responsibility for making the final decision to purchase and sell the Interests and each has consulted, or has had the opportunity to consult but, of its own accord, elected not to consult, with its own legal and financial advisors. Buyer further understands that as part of analyzing the purchase of the Interests from Seller, it is Buyer's responsibility to meet with or otherwise gather necessary information from the appropriate parties which may or may not affect Buyer's purchase of the Interests from Seller.

**7. Additional Documents.** Buyer and Seller agree to execute such additional documents as may be necessary to complete the Transfer as contemplated by the Purchase Agreement, Seller Franchise Agreement, and Buyer Franchise Agreement.

**8. Restrictive Covenants.** In consideration of Franchisor's willingness to provide Confidential Information to Buyer prior to the signing of the Buyer Franchise Agreement and to consent to this Transfer, Buyer hereby agrees to the following restrictive covenants. Upon execution of Buyer Franchise Agreement, these obligations shall automatically merge into restrictive covenants under Buyer Franchise Agreement. For avoidance of doubt, if the Closing does not occur, Buyer will continue to be bound by these restrictive covenants according to the terms herein.

a. **Definitions.** As used in this Section 8, the following terms have the meanings set forth below:

(i) “Products and Services” means the advertising, selling, and/or installing of custom-made windows, siding, entry door systems, and any products or services Seller, Franchisor, or any affiliates or franchisees of Franchisor offer under Franchisor’s Marks during the twelve (12) month period preceding the first date of the Restrictive Period.

(ii) “Competing Services” means the business of promoting, selling, advertising, installing, and/or providing Products and Services.

(iii) “Restricted Territory” means:

(A) An area which combined includes (1) the Seller’s Territory, (2) any Gray Area within which Seller operated during the twelve (12) month period preceding the first date of the Restrictive Period, and (3) the territories in which Franchisor, Franchisor’s affiliates, or Franchisor’s other franchisees operate any WINDOW WORLD businesses; or

(B) Only in the event the foregoing is determined by a court of law to be too broad, an area which combined includes (1) the Seller’s Territory and (2) any area within a 5-mile radius of the locations of any other WINDOW WORLD businesses owned by Franchisor, its affiliates, or franchisees; or

(C) Only in the event the foregoing is determined by a court of law to be too broad, the Seller’s Territory.

Each of the foregoing is determined as of the first date of the Restrictive Period.

(iv) “Restricted Period” means the period beginning on the date this Agreement is executed by Franchisor and continuing for a period of one (1) year thereafter.

b. **Covenant Against Unfair Competition.** Buyer agrees that for the Restricted Period, Buyer shall not, within the Restricted Territory, alone or in conjunction with any other person or entity, on Buyer’s own behalf or on behalf of any other person or entity, do any or all of the following:

(i) Engage in the business of providing Competing Services or assist any other person or entity in providing Competing Services.

(ii) Be employed by, or engaged as a consultant or contractor by, any person or entity that provides Competing Services in any position in which Buyer would perform (or direct others in performing) duties that would require or permit Franchisee to use or disclose Franchisor’s Confidential Information for Franchisee’s benefit or the benefit of any person or entity other than Franchisor.

(iii) Manage, make loans to, or have any other interest in as a partner, owner, officer, executive, or director, any person or entity that provides Competing Services.

c. **Franchisee's Covenant Not to Solicit.** Buyer agrees that for the Restricted Period, Buyer shall not, within the Restricted Territory, alone or in conjunction with any other person or entity, on Buyer's own behalf or on behalf of any other person or entity, do any or all of the following:

(i) Call on, solicit, request, induce or otherwise cause or attempt to cause any customer or prospective customer of Seller, Franchisor, or Franchisor's other franchisees to cancel or curtail its current or future business with Franchisor or any of Franchisor's affiliates or franchisees, or assist any other person or entity in any such activity.

(ii) Call on, solicit, request, induce or otherwise cause or attempt to cause any current franchisee or licensee of Franchisor to cancel or curtail its current or future business with Franchisor or any of Franchisor's affiliates or franchisees or assist any other person or entity in any such activity.

(iii) Call on or contact any customer or prospective customer of Seller, Franchisor, or Franchisor's other franchisees for the purpose of soliciting business or seeking engagement to sell or provide Competing Services or assist any other person or entity in any such activity.

(iv) Call on or contact any Franchisor-used vendor through the use of, or with the assistance of, any Confidential Information for the purpose of soliciting, requesting or attempting to cause such vendor to cancel or curtail its current or future business with Franchisor or any of Franchisor's franchisees or affiliates or assist any other person or entity in any such activity.

(v) Call on or contact any Franchisor-used vendor through the use of, or with the assistance of, any Confidential Information for the purpose of soliciting, requesting or attempting to cause such vendor to provide any materials, products, or services to any person or business entity other than Franchisor, its franchisees and affiliates that are the same as or substantially similar to the materials, products, and/or services said vendor provides to Franchisor or its franchisees and affiliates.

d. **Confidential Information.** Except as necessary as approved by Franchisor, Buyer shall not at any time, without any geographic limitation use for its own benefit or communicate or divulge to, or use for the benefit of any other person or entity, the Confidential Information. "Confidential Information" means the information, not generally known to the public, in any form, relating to the franchised businesses that Franchisor sells and their operations, including all trade secrets; all knowledge, know-how, standards, processes, methods, and procedures related to the establishment and operation of the franchised businesses not generally known to the public; all records pertaining to customers and vendors of, and/or related in any way to, the franchised businesses (such as all names, addresses, phone numbers, email addresses for customers and vendors; customer purchase records; customer measurements; customer preferences; and mail lists); franchisee lists; vendor information; pricing data; sources of supply; technical information about Products and Services; electronic code, formulas, compositions, inventions, research, designs, advertising materials, and business, sales, and

advertising strategies; financial information of Seller, Franchisor, or any affiliate or franchisee of Franchisor; business forms and customer contract forms and documents; databases; training materials; knowledge of the franchise system; contracts and agreements; transaction information; negotiations and pending negotiations for the sale of Products and Services; other confidential or proprietary information of any franchisee, Franchisor's affiliates, customers, vendors, or investors; and any other data and information that Franchisor or its affiliates, designates as confidential, including all information contained in the Manuals.

e. **Acknowledgment.** Buyer acknowledges and agrees that these covenants not to compete or solicit are necessary to protect the Marks, Confidential Information, and System for the period of time set forth herein. Buyer further acknowledges and agrees that the time and territory restrictions contained herein are reasonable and fair for the purpose of protecting Franchisor's legitimate business interests. In the event of default, Franchisor may seek preliminary injunctive relief to enjoin the conduct of Buyer. Buyer agrees that the foregoing do not impose a greater restraint than is necessary to protect Franchisor's goodwill or Franchisor's other business interest and its franchisees and the provisions do not prevent Buyer from earning a living. Buyer agrees that the scope of activities prohibited in this Section 8 are fair and reasonable and are not the result of overreaching, duress, or coercion of any kind. Buyer's full, uninhibited, and faithful observance of each of the covenants in this Section 8 will not cause any undue hardship, financial or otherwise. The parties acknowledge and agree that the covenants in this Section 8 are to be construed as independent of any other covenant or provision of this Agreement. The existence of any claim Buyer may have against Franchisor or any of its affiliates (regardless of whether arising under this Agreement) is not a defense to the enforcement of these covenants against Buyer.

f. **Survival and Tolling.** Buyer understands and agrees that all of Buyer's covenants and agreements in this Agreement survive the termination or expiration of this Agreement. In addition, Buyer further acknowledges and agrees that the Restricted Period will be tolled and will not run during any time Buyer is in violation of Buyer's obligations under this Section 8, and will be extended by the period of time during which Buyer is in violation of Buyer's obligations under this Section 8.

g. **Activities Not In Violation of this Section.** Notwithstanding anything in this Section 8 to the contrary, Buyer's purchase of a publicly traded security of a corporation engaged in providing Competing Services shall not in itself be deemed violative of this Section 8 so long as Buyer does not own more than one percent (1%) of the securities of such corporation. Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to the following: (a) information that was in the public domain prior to or after being communicated to Buyer through no fault of Buyer; (b) information that was in Buyer's possession free of any obligation of confidence at the time it was communicated to Buyer; or (c) the disclosure of the Confidential Information in judicial or administrative proceedings to the extent that Buyer is legally compelled to disclose the information, if Buyer has notified Franchisor before disclosure and used Buyer's best efforts, and afforded Franchisor the opportunity, to obtain an appropriate protective order or other assurance satisfactory to Franchisor of confidential treatment for the information required to be so disclosed.

**9. Miscellaneous Provisions.** This Agreement will be construed and enforced in accordance with, and governed by, the laws of the state of North Carolina. This Agreement may not be modified or amended or any term hereof waived or discharged except in writing signed by the party against whom such amendment, modification, waiver or discharge is sought to be enforced. The headings of this Agreement are for convenience and reference only and will not limit or otherwise affect the meaning hereof. This Agreement may be executed in any number of counterparts and sent via facsimile, each of which will be deemed an original but all of which taken together will constitute one and the same instrument. All capitalized terms used, but not defined, herein shall have the meanings ascribed to them in the applicable franchise agreement.

**10. Non-Disparagement.** In consideration of the accommodations provided to Seller and Buyer and concessions made by Franchisor under this Agreement, Seller and Buyer agree not to, and to use their best efforts to cause the Releasors not to, disparage or otherwise speak or write negatively, directly or indirectly, of the Released Parties or their respective current and former franchisees, the WINDOW WORLD brand, the WINDOW WORLD system, or any other service-marked or trademarked concept of Franchisor, or engage in any behavior which would subject the WINDOW WORLD brand to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact the goodwill of Franchisor or its brand.

In witness whereof, the parties have signed this Agreement and it is made effective as of the date Franchisor signs this Agreement.

**Seller:**

**Buyer:**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

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Print name: \_\_\_\_\_

**Franchisor:**

WINDOW WORLD, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attachment 1  
Consent to Transfer

Based upon the representations made by Buyer and Seller, WINDOW WORLD, INC. (“Franchisor”) has determined the issues identified on the Pre-Sale Inspection have been satisfied and the purchase transaction between Buyer and Seller is authorized to proceed in accordance with the terms previously submitted to and approved by Franchisor.

**Franchisor:**

WINDOW WORLD, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



Attachment 2  
Pre-Sale Inspection

**EXHIBIT K**  
**FULL AND FINAL GENERAL RELEASE**  
(Current Form; Subject to Change)

FOR AND IN CONSIDERATION of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all parties, Franchisee Parties covenant to fully and mutually release Franchisor Parties as follows:

1. Franchisee for itself and on behalf of its respective predecessors, parents, affiliates, subsidiaries, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns (collectively, the “Franchisee Parties”) do hereby release and forever discharge Franchisor, Franchisor’s predecessors, parents, affiliates, and subsidiaries, and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities (collectively, the “Franchisor Parties”) from any and all claims, demands, damages, actions, causes of action, or suits of any kind or nature whatsoever, both known and unknown, including, without limitation: (a) arising out of or related to the Franchisor Parties’ obligations under the franchise agreement or (b) otherwise arising from or related to the Franchisee Parties’ relationship, from the beginning of time to the date of Franchisee’s signature below, with any of the Franchisor Parties.

2. Franchisee, on your own behalf and on behalf of the other Franchisee Parties, further covenant not to sue any of the Franchisor Parties on any of the claims released by the preceding paragraph and represent that Franchisee has not assigned any such claims released by the preceding paragraph to any individual or entity who is not bound by this Release. It is understood and agreed that this Release is not to be construed as an admission of liability with respect to the Franchisor Parties.

3. The consideration expressly mentioned herein is the only consideration paid or to be paid by said parties hereby released. The parties acknowledge that no other party, or agent, or attorney of any other party, has made any promise, or representation or warranty to induce this Release, not herein expressly set forth, and no such promises, representations or warranties are relied upon as a consideration for this Release, or otherwise, but any and all of the parties’ respective claims, of whatever nature are hereby fully and forever released, compromised and settled. Full and complete compromise, settlement, and accord and satisfaction are hereby acknowledged, and it is expressly agreed by the undersigned parties never to sue any of the other parties hereby released on any alleged promise, representation or warranty for this Release not herein expressly set forth.

4. This Agreement contains the entire agreement and understanding between the parties as to the matters specified herein and supersedes and replaces all agreements on this subject matter, whether written or oral. The terms contained herein may not be modified or amended except in writing signed by the parties. The terms of this Release are contractual and not a mere recital.

5. The undersigned further state that they have carefully read the foregoing instrument; that they know the contents thereof; that they understand and agree to each and every term and condition contained herein; that they signed the same as their own free act and deed; and that they have not assigned any rights released hereunder to any person or organization, private or governmental.

6. The parties hereby covenant and agree that each shall not make, at any time or place, any disparaging remarks, verbally or in writing, concerning any of the parties' actions or perceived omissions, regarding any matter connected with this "Exclusive Agreement" or otherwise take any action that would disparage or cast doubt upon the business acumen or judgment of any other party. Each party understands and acknowledges that each other party's business and reputation are of special, unique, and extraordinary character, which gives them a particular value, the loss of which cannot reasonably be compensated in damages in an action at law. Accordingly, each party further agrees that in addition to any other rights or remedies that any other party may possess at law, any aggrieved party shall be entitled to injunctive and other equitable relief in order to prevent or remedy a breach of the provisions of this Agreement by any other party hereto.

7. The terms of this Release arose from discussions between the parties. Accordingly, no claimed ambiguity in this Release shall be construed against any party claimed to have drafted or proposed the language in question. This Release shall be governed by and construed pursuant to the laws of the State of North Carolina. This Release may be executed in two copies, each of which shall be deemed an original.

8. IF THE FRANCHISED BUSINESS FRANCHISEE OPERATES UNDER THE FRANCHISE AGREEMENT IS LOCATED IN CALIFORNIA OR IF FRANCHISEE IS A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

**SECTION 1542 ACKNOWLEDGMENT.** IT IS FRANCHISEE'S INTENTION, ON FRANCHISEE'S OWN BEHALF AND ON BEHALF OF THE FRANCHISEE PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY FRANCHISEE OR THE FRANCHISEE PARTIES. FRANCHISEE RECOGNIZES THAT FRANCHISEE OR THE FRANCHISEE PARTIES MAY HAVE SOME CLAIM, DEMAND OR CAUSE OF ACTION AGAINST THE FRANCHISOR PARTIES OF WHICH FRANCHISEE, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH FRANCHISEE, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS FRANCHISEE'S INTENTION, ON FRANCHISEE'S OWN BEHALF AND ON BEHALF OF THE FRANCHISEE PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE FRANCHISEE, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT FRANCHISEE, HIM, HER, OR IT FROM ASSERTING IT AGAINST THE FRANCHISOR PARTIES. IN FURTHERANCE OF THIS INTENTION, FRANCHISEE, ON FRANCHISEE'S OWN BEHALF AND ON BEHALF OF THE FRANCHISEE PARTIES, EXPRESSLY WAIVES ANY RIGHTS OR

BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

**“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN THE CREDITOR’S FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY THE CREDITOR MUST HAVE MATERIALLY AFFECTED THE CREDITOR’S SETTLEMENT WITH THE DEBTOR.”**

FRANCHISEE ACKNOWLEDGES AND REPRESENTS THAT FRANCHISEE HAS CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT FRANCHISEE UNDERSTANDS ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENTS THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

9. If the Franchised Business is located in Maryland or if Franchisee is a resident of Maryland, the following shall apply:

Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

10. This general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW, 19.100, and the rules adopted thereunder.

All releases given by the parties 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 parties represent and warrant that they have made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to or released in or by this document as the Releasing Parties, in the Releasing Parties independent judgment, believe necessary or appropriate.

**SIGNATURE PAGE FOLLOWS**

WITNESS OUR SIGNATURES, this the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

**Franchisor:**

WINDOW WORLD, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Franchisee:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Print name: \_\_\_\_\_

\_\_\_\_\_  
Print name: \_\_\_\_\_

EXHIBIT L  
**ADDENDUM TO RENEWAL FRANCHISE AGREEMENT**  
(to be signed by a renewing franchisee concurrently with the Franchise Agreement)

This Addendum ("Addendum") to the Franchise Agreement dated as of \_\_\_\_\_ between WINDOW WORLD, INC. ("Franchisor") and \_\_\_\_\_ ("Franchisee") ("Agreement") is made as of the same date to amend and supplement certain terms and conditions of the Agreement. In the event of any conflict between the terms of the Agreement and the terms of this Addendum, the terms of this Addendum shall control. All capitalized terms not otherwise defined in this Addendum shall have their respective meanings set forth in the Agreement.

1. **Headquarters.** Franchisor hereby accepts the following as the address of the Headquarters: \_\_\_\_\_. Franchisor hereby accepts the following as the address for any Satellites: \_\_\_\_\_. Notwithstanding this acceptance of the location for the Headquarters and Satellites, Franchisee acknowledges and agrees that at the expiration of Franchisee's current lease term for each Premises, if applicable, Franchisee shall obtain Franchisor's acceptance of any new locations for operations of the Franchised Business.

2. **No Fee.** No initial franchisee fee or renewal fee shall be due upon execution of the Agreement.

3. **Lease Acceptance.** Should Franchisee enter into a new lease for the Headquarters or any Satellite during the term of the Agreement, the lease shall also include Franchisor's form Lease Addendum, and all lease review and acceptance requirements of the Agreement shall remain applicable.

4. **Commencement of Operations.** Franchisor and Franchisee acknowledge that the Franchised Business has commenced operations.

5. **Training.** Franchisee shall cause its Operating Owner(s) or Operations Manager to complete any training Franchisor requires within ninety (90) days of the execution of the Agreement. Franchisor shall not be obligated to provide any initial training program as described in the Agreement.

6. **Release.** Franchisee themselves and on behalf of their respective predecessors, parents, affiliates, subsidiaries, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns ("Releasers") hereby fully and forever unconditionally release and discharge Franchisor, Franchisor's predecessors, parents, affiliates, and subsidiaries, and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities ("Released Parties"), from any and all claims, demands, obligations, actions, liabilities and damages of every kind or nature whatsoever, in law or in equity, whether known or unknown to them, which they may have against the Released Parties as of the date of this Agreement, or which may thereafter be discovered, accrued, or sustained, in connection with, as a result of, or in any way arising from, any relations or transactions with the Released Parties, however characterized or described, from the beginning of time until the date of this Addendum, including but not limited to, any claims arising from the prior franchise agreement(s) between Franchisor and Franchisee and the Franchised Business.

7. **Non-Disparagement.** Franchisee agrees not to, and to use its best efforts to cause the Releasers not to, disparage or otherwise speak or write negatively, directly or indirectly, of the Released Parties or their respective current and former franchisees, the WINDOW WORLD brand, the WINDOW

WORLD system, or any other service-marked or trademarked concept of Franchisor, or engage in any behavior which would subject the WINDOW WORLD brand to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact the goodwill of Franchisor or its brand.

In witness whereof, the parties hereto have caused this Addendum to be executed on the date first set forth above.

**Franchisor:**

WINDOW WORLD, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Franchisee:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Print name: \_\_\_\_\_

\_\_\_\_\_  
Print name: \_\_\_\_\_

EXHIBIT M  
ROOFING AMENDMENT

This Roofing Amendment to the Franchise Agreement (“Amendment”) is hereby made, entered into, and effective as of \_\_\_\_\_ (“Effective Date”), between WINDOW WORLD, INC., a North Carolina corporation (“Franchisor”), and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”)

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement dated \_\_\_\_\_ (“Franchise Agreement”), whereby Franchisor granted Franchisee a limited license to use the trademarks and other proprietary information (collectively, the “Marks”) for the operation within the Territory (as defined in the Franchise Agreement) of a business marketing, selling, and installing exterior remodeling products (“Franchised Business”).

WHEREAS, Franchisor is also engaged in the business of marketing, selling, and installing roofing products (such services collectively referred to herein as “Roofing Services”);

WHEREAS, Franchisee is desirous of and is prepared to provide the Roofing Services as part of its Franchised Business, pursuant to the terms of this Amendment;

WHEREAS, Franchisor is desirous of offering Franchisee an opportunity to provide the Roofing Services as part of Franchisee’s Franchised Business under the terms described herein and for Franchisee to use the Marks to provide the Roofing Services;

WHEREAS, Franchisor and Franchisee have agreed to certain modifications of the Franchise Agreement to enable Franchisee to perform the Roofing Services under the terms of this Amendment, and therefore desire to amend the Franchise Agreement accordingly.

NOW, THEREFORE, in consideration of the mutual covenants of the Parties herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, the Franchise Agreement is hereby amended as follows:

1. **Limited License; System Standards.** Franchisor hereby grants Franchisee a limited, non-exclusive, revocable license to provide the Roofing Services in strict compliance with the terms of this Amendment, the Franchise Agreement, and Franchisor’s operating procedures and standards prescribed from time to time by Franchisor for the remainder of the term of the Franchise Agreement. Franchisee has no right to market, sell, or install roofing materials, products, or services, except under the limited license granted herein and under the terms stated herein. Unless earlier terminated, this Amendment shall terminate upon expiration, non-renewal, or termination of the Franchise Agreement.

2. **Continuing Performance Requirements.** Franchisee acknowledges that Franchisor has entered into this Amendment with Franchisee in reliance on the past performance of Franchisee in its sale of windows, siding, and doors (collectively “Core Products”). Franchisor may modify the definition of Core Products by adding or removing products by policy published in the Manuals. Franchisee represents and warrants that its representations to Franchisor related to such past performance are true and accurate in all material respects. Unless Franchisor promulgates lower standards through the Manuals or otherwise permits a deviation through a writing issued by Franchisor and executed by an executive officer of Franchisor, Franchisee acknowledges and agrees that its right to continue to perform the Roofing Services



shall terminate upon ten (10) days' notice to Franchisee if Franchisee does not comply with the following requirements ("Ongoing Performance Requirements"):

(a) During each full calendar year after the Effective Date, Franchisee must sell a minimum of \_\_\_\_\_ windows ("Minimum Annual Window Sales").

(b) During each full calendar year, Franchisee must collect a minimum of (i) four percent (4%) of Core Product gross sales from the sale of entry doors and (ii) two percent (2%) of Core Product gross sales from the sale of siding to the extent Franchisor's designated vendor of siding has, in vendor's judgment, a siding product suitable for sale within Franchisee's Territory.

(c) During each full calendar year, Franchisee must achieve the minimum yearly "MSI," as that term is defined and used in the Manuals, for Franchisee's market size.

(d) During each full calendar year, Franchisee must achieve the Minimum Entry Door Purchases, as that term is defined in the Franchise Agreement.

3. **Approved Distributors and Products.** Franchisee must not use any roofing products in its performance of the Roofing Services unless such products are purchased from distributors approved by Franchisor. Use of the term "vendor" in this Amendment shall include any vendor, manufacturer, supplier, distributor of products and services. Franchisee must purchase and use only the models and types of products approved by Franchisor ("Approved Roofing Products"). Franchisee has the unrestricted and unlimited right to modify product specifications and/or the relationship with vendors, including, but not limited to, adding or eliminating vendors. Franchisor has no obligation to obtain a certain level of pricing for Franchisee for the Approved Roofing Products, and the price paid by Franchisee for the Approved Roofing Products may exceed the price paid by non-franchisees for products similar to or the same as the Approved Roofing Products. Franchisee agrees the prices Franchisee pays for Approved Roofing Products includes compensation that the vendor may pay to Franchisor in consideration for allowing the vendor and Franchisee to use Franchisor's licensed trademarks and system and for marketing services performed by Franchisor.

4. **Vendor Requirements.** Franchisee must abide by all vendor (including manufacturer) requirements for the installation of any products in its, or its independent contractors', performance of the Roofing Services. Franchisee authorizes vendors to provide any information required by Franchisor related to Franchisee's purchasing history with Franchisor.

5. **Installer Requirements.** Franchisee must at all times ensure that its installers are licensed and trained as required by law and Franchisor's operating procedures and standards as prescribed by Franchisor from time to time. Franchisee's installers must be trained and certified by the vendors of the Approved Roofing Products.

6. **Design Consultant Requirements.** Franchisee must at all times ensure that its design consultants have met the training requirements set forth by the manufacturers and distributors of the Approved Roofing Products and that Franchisee's consultants otherwise comply with Franchisor's operating procedures and standards as prescribed by Franchisor from time to time.

7. **Insurance.** Franchisee shall procure and maintain in full force and effect at its sole expense and during the remainder of the Initial Term and any renewal terms of the Franchise Agreement, insurance

policy(ies) protecting Franchisee and Franchisor, and the directors, officers and employees of Franchisor against any loss, liability, or expense from fire, personal injury, property damage or other casualty which arises out of or is incident to the use of the business premises or the business operation of the Franchised Business. Franchisee shall obtain and maintain any insurance that Franchisor may designate that applies to the Roofing Services. Franchisee shall also cause any independent contractor it hires to participate in the Roofing Services to obtain and maintain coverage that is at least as great as that Franchisee is required to obtain and maintain. Likewise, Franchisee shall also cause its independent contractors to comply with the other terms applicable to insurance coverage in the Franchise Agreement, including but not limited to terms requiring the contractor to name Franchisor as an additional insured.

8. **Laws and Regulations and Brand Standards.** Franchisee must comply with all laws and regulations related to its performance of the Roofing Services, including those that set standards pertaining to employee health and safety such as Occupational Safety and Health Administration and other regulations. Franchisee must comply with all of Franchisor's standards for Roofing Services are set forth in the Manuals.

9. **Residential Properties.** Franchisee shall only provide the Roofing Services for residential properties, including sole owner apartment complexes. Franchisee may not provide the Roofing Services for any commercial properties, including condominiums, unless Franchisee receives prior, written approval from Franchisor to provide the Roofing Services for a commercial property, which approval may be withheld by Franchisor in its sole discretion.

10. **Required Contract and Literature.** In providing the Roofing Services, Franchisee must not use and distribute materials and contracts unless such materials and contracts have been approved by Franchisor. For all Roofing Services transactions, Franchisee must use a Roofing Services contract approved by Franchisor.

11. **Definition of "Products and Services"**. Notwithstanding any other provision in the Franchise Agreement, and in consideration of Franchisor granting Franchisee the additional rights to provide the Roofing Services, the definition of "Products and Services" as it is defined with respect to Franchisee's restrictive covenants for non-competition, non-solicitation, and confidentiality shall is hereby deleted and amended in its entirety to be the following:

"Products and Services" means the advertising, marketing, selling, and/or installing of custom-made windows, siding, entry door systems, roofing products, and any products or services Franchisee, Franchisor, or any affiliates or franchisees of Franchisor offer under Franchisor's Marks (A) for covenants relating to the Initial Term, the Initial Term, and (B) for covenants relating to the Restrictive Period, during the twelve (12) month period preceding the first date of the Restrictive Period.

In all other respects, Franchisee affirms its obligations to comply with the terms of the restrictive covenants for non-competition, non-solicitation, and confidentiality as set forth in the Franchise Agreement and/or any other agreements between Franchisee and Franchisor and Franchisee's owners.

12. **Default.**

(a) The occurrence of any one or more of the following events shall constitute an event of default and grounds for termination of the Franchise Agreement upon notice without opportunity to cure:

(i) Franchisee purchases or uses roofing products from a vendor Franchisor has not approved;

(ii) Franchisee purchases or uses products other than Approved Roofing Products in its provision of the Roofing Services; or

(iii) Franchisee provides the Roofing Services to a commercial facility without receiving Franchisor's prior, written approval.

(b) The occurrence of any other violation of the provisions of this Amendment shall constitute an event of default and grounds for termination of Franchisee's right to provide Roofing Services following fifteen (15) days written notice and right to cure.

13. **Release of Franchisor.** In consideration of the right to market, sell, and install roofing products granted under this Amendment, except for ongoing obligations under the Franchise Agreement or this Amendment, Franchisee for itself and on behalf of its respective predecessors, parents, affiliates, subsidiaries, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns ("Releasors") hereby discharge and release Franchisor, Franchisor's predecessors, parents, affiliates, and subsidiaries, and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities (collectively, "Released Parties"), from any and all claims, liabilities, actions, or causes of action, of any kind or character whatsoever, whether at law or at equity, **whether known or unknown**, which arise out of, or are in any way related to, (a) the Franchise Agreement; (b) this Amendment; (c) any Premises; (d) the Franchised Business; (e) any violations of the Federal Trade Commission Franchise Rule or any other state or federal laws governing franchising; (f) any action taken by the Released Parties under or in relation to the Franchise Agreement or this Amendment; (g) any action taken by the Releasors the under or in relation to the Franchise Agreement or this Amendment, and (h) the relationship between Franchisor and Franchisee arising out of the Franchise Agreement or this Amendment, **it being the mutual intention of the parties that this release be general in scope and effect and that any claims against Released Parties are hereby forever canceled and forgiven**. Franchisee expressly assumes the risk of any mistake of fact or fact of which Franchisee may be unaware or that the true facts may be other than any facts now known or believed to exist by Franchisee.

14. **Indemnity.** In addition to all of Franchisee's indemnification obligations under the Franchise Agreement, Franchisee shall fully indemnify, hold harmless and defend (collectively "indemnify") the Franchisor Indemnified Parties (as defined in the Franchise Agreement) from all Losses (as defined in the Franchise Agreement) which arise out of or in any way related to (1) any breach of any representation or warranty of Franchisee contained in this Amendment; (2) any breach or violation of any covenant or other obligation or duty of Franchisee under this Amendment or under applicable law; (3) any claim or cause of action which arises, directly or indirectly, out of the operation of, or in connection with,

the Roofing Services, the Approved Roofing Products, and this Amendment, in each case whether or not the claim has merit. Franchisee's obligation to indemnify the Franchisor Indemnified Parties shall survive the termination, expiration or nonrenewal of this Addendum and the Agreement.

15. **Miscellaneous.** Except as modified herein, all other terms in the Franchise Agreement remain in full force and effect. Franchisee may not assign this Amendment or any rights or obligations hereunder without the prior written consent of Franchisor. Franchisor may assign this Amendment or delegate its obligations hereunder without consent of the other party. This Amendment together with the Franchise Agreement contains the entire agreement between the parties hereto with respect to the matters contemplated hereby and supersedes all prior agreements and undertakings between the parties with respect to such matters. In the event that any terms within the Franchise Agreement or this Amendment shall conflict, this Amendment will govern. All defined terms not otherwise defined herein shall have the meaning assigned to them in the Franchise Agreement. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

In witness whereof, the parties have caused this Amendment to the Franchise Agreement to be executed or hereunto set their hands, all duly given as of the day and year first above written and to be effective as of the date executed by Franchisor.

**Franchisor:**

WINDOW WORLD, INC.

**Franchisee:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Print name: \_\_\_\_\_

\_\_\_\_\_  
Print name: \_\_\_\_\_

### **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:

<b>State</b>	<b>Effective Date</b>
California	March 28, 2024
Hawaii	May 2, 2024
Illinois	March 28, 2024
Indiana	March 28, 2024
Maryland	April 25, 2024
Michigan	March 31, 2024
Minnesota	April 15, 2024
New York	April 2, 2024
North Dakota	April 25, 2024
Rhode Island	April 17, 2024
South Dakota	March 28, 2024
Virginia	April 1, 2024
Washington	March 30, 2024
Wisconsin	March 28, 2024

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 N RECEIPT

This disclosure document summarized certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If WINDOW WORLD, INC. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires you to receive this Franchise Disclosure Document 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If WINDOW WORLD, INC. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency listed on Exhibit E.

The name, principal business address and telephone number of each franchise seller offering the franchise is:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ZACH LUFFMAN		
118 Shaver St.		
N. Wilkesboro, NC 28659		
(336) 667-2100		

Issuance Date: March 28, 2024, as amended January 13, 2025

See Exhibit E for our registered agent authorized to receive service of process. Our agent for service of process in North Carolina is Corporation Service Company at 2626 Glenwood Avenue, Suite 550, Raleigh, NC 27608.

I received a WINDOW WORLD, INC. disclosure document dated March 28, 2024, as amended January 13, 2025 that included the following Exhibits:

Exhibit A: Franchise Agreement with

- o Attachment 1: Lease Rider
- o Attachment 2: Communications Consent
- o Attachment 3: Limited Personal Guaranty
- o Attachment 4: Internet, Social Media, and Telephone Assignment
- o Attachment 5: Nondisclosure and Non-Competition Agreement
- o Attachment 6: Nondisclosure and Non-Solicitation Agreement

Exhibit B-1: Listing of Current Franchisees  
Exhibit B-2: Listing of Certain Past Franchisees  
Exhibit C: Financial Statements  
Exhibit D: State-Specific Addendum  
Exhibit E: Federal and State Regulatory Authorities and Agents for Service of Process  
Exhibit F: Prospective Franchisee Confidentiality Agreement  
Exhibit G: 800 Response Agreement

Exhibit H: Master Services Agreement with

- o Exhibit 2A: CRM Subscription Agreement
- o Exhibit 2B: Web Design and Management Agreement
- o Exhibit 2C: Window World Owner's Portal Agreement
- o Exhibit 2D: ACH/EFT Transfer Agreement and Credit Card Authorization
- o Exhibit 2E: Premium Services Amendment

Exhibit I: Window World, Inc. Non-Operating Owner Amendment  
Exhibit J: Agreement and Conditional Consent to Transfer  
Exhibit K: Full and Final General Release  
Exhibit L: First Addendum to Renewal Franchise Agreement  
Exhibit M -- Addendum Regarding Roofing Services  
Exhibit N -- Receipt

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Prospective Franchisee

\_\_\_\_\_  
Print Name

Please sign and return this Receipt to WINDOW WORLD, INC. You may mail it to WINDOW WORLD, INC., **ATTN: LEGAL DEPARTMENT**, 118 Shaver Street, North Wilkesboro, North Carolina 28659 or email it to [legal@WindowWorld.com](mailto:legal@WindowWorld.com).

## RECEIPT

This disclosure document summarized certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

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Date: \_\_\_\_\_

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Signature of Prospective Franchisee

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Print Name

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