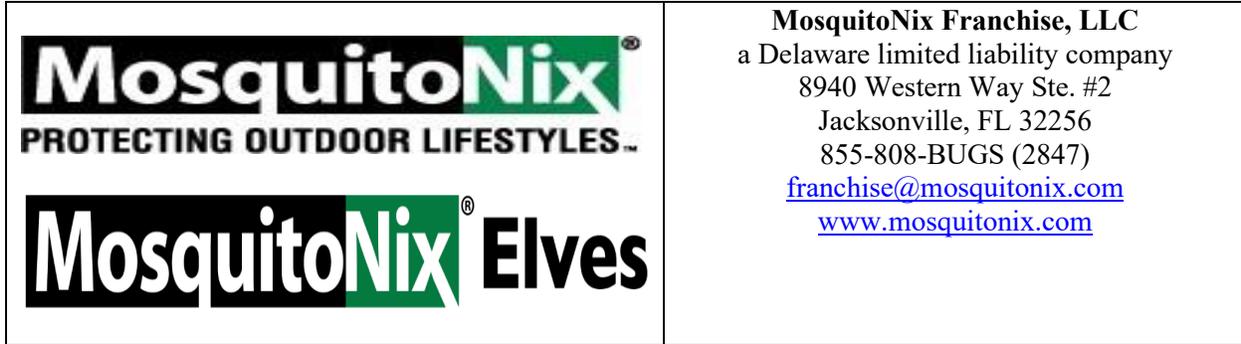


FRANCHISE DISCLOSURE DOCUMENT



The franchise is for a stand-alone business, or potentially a refranchised business, that (1) sells, installs, applies and services MosquitoNix integrated residential and commercial mosquito and other indoor and outdoor pest management systems and related fogging, spraying, baiting and trapping applications under the MosquitoNix trademark and other Proprietary Marks and (2) sells, installs and services holiday lighting displays and decorations under the MosquitoNix Elves trademark and other Proprietary Marks (collectively, the “Business”).

The total investment necessary to begin operation of a stand-alone Business for a single Territory ranges from \$121,400 to \$157,400. This includes \$72,000 to \$73,000 that must be paid to us or purchased from our affiliate, MQX Products, LLC. The total investment necessary to begin operation of a single new Refranchised Business ranges from \$7,700 to \$107,900. This includes \$0 to \$23,500 that must be paid to us or our affiliate, MQX Products, LLC, but does not include the asset purchase costs for the Refranchised Business.

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 Mike O’Neal, at 8940 Western Way, Suite #2, Jacksonville, Florida 32256, 855-808-BUGS (2847).

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

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

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

Date of Issuance: April 30, 2025

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

Your state also may have laws that require special disclosures or amendments to 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 or litigation only in Texas. 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 Texas than in your own state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **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.
4. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
5. **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.
6. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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 APPLIES 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.

(J) IF THE FRANCHISOR'S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN \$100,000 THE FRANCHISEE MAY REQUEST THE FRANCHISOR TO ARRANGE FOR THE ESCROW OF INITIAL INVESTMENT AND OTHER FUNDS PAID BY THE FRANCHISEE UNTIL THE OBLIGATIONS, IF ANY, OF THE FRANCHISOR TO PROVIDE REAL ESTATE, IMPROVEMENTS, EQUIPMENT, INVENTORY, TRAINING OR OTHER ITEMS INCLUDED IN THE FRANCHISE OFFERING ARE FULFILLED. AT THE OPTION OF THE FRANCHISOR, A SURETY BOND MAY BE PROVIDED IN PLACE OF ESCROW.

THE FACT 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 this notice should be directed to:

Consumer Protection Division
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 W. Ottawa Street
Lansing, MI 48933
Telephone: 517-373-7117

TABLE OF CONTENTS

	Page
ITEM 1	THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES 1
ITEM 2	BUSINESS EXPERIENCE..... 4
ITEM 3	LITIGATION 4
ITEM 4	BANKRUPTCY 4
ITEM 5	INITIAL FEES 4
ITEM 6	OTHER FEES 7
ITEM 7	YOUR ESTIMATED INITIAL INVESTMENT 11
ITEM 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES..... 15
ITEM 9	FRANCHISEE’S OBLIGATIONS 18
ITEM 10	FINANCING 19
ITEM 11	FRANCHISOR’S ASSISTANCE, ADVERTISING, TECHNOLOGY SYSTEMS, AND TRAINING..... 19
ITEM 12	TERRITORY 27
ITEM 13	TRADEMARKS 28
ITEM 14	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION..... 30
ITEM 15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS 31
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL..... 32
ITEM 17	RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION 32
ITEM 18	PUBLIC FIGURES 36
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATIONS..... 36
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION 42
ITEM 21	FINANCIAL STATEMENTS 46
ITEM 22	CONTRACTS 46
ITEM 23	RECEIPTS 46

Exhibits

- Exhibit A – Financial Statements
- Exhibit B – Franchise Agreement (with attachments and exhibits)
- Exhibit C – List of Franchised Outlets
- Exhibit D – List of Franchisees Who Have Left the System
- Exhibit E – Brand Standards Manual Table of Contents
- Exhibit F – Form of Refranchising Asset Purchase Agreement
- Exhibit G – Form of General Release
- Exhibit H – State Administrators/Agents for Service of Process
- Exhibit I – State Addenda to Franchise Disclosure Document
- Exhibit J – State Effective Dates

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

The franchisor is MosquitoNix Franchise, LLC, referred to in this disclosure document as “we,” “us,” or “our”. We refer to the person buying the franchise as “you” or “your”. If you are a corporation, partnership, limited liability company, or other entity, certain provisions of the Franchise Agreement will apply to your owners. These are addressed in this disclosure document where appropriate. We will require that all of your Principal Owners personally guarantee, and be personally bound by, some or all of your obligations under the Franchise Agreement.

The Franchisor

We were formed as a Delaware limited liability company on June 26, 2023. Our principal business address is 8940 Western Way, Suite #2, Jacksonville, Florida 32256. We do business under the names “MosquitoNix” and “MosquitoNix Elves”. Our agents for service of process in the states requiring franchise registration are listed in Exhibit H.

We began offering franchises for Businesses in December 2023. As of the end of our last fiscal year ended December 31, 2024, we have sold 29 franchises. We have never offered franchises in any other line of business. We have never conducted a business of the type being offered in this disclosure document. We have no other business activities other than the offer and sale of franchises for Businesses under this disclosure document.

Our Parents, Predecessors and Affiliates

Our direct parents are FW-MQX Holdings, LLC, a Michigan limited liability company formed on June 27, 2023 with its principal business address at 106 E Liberty Street, Ann Arbor, MI 48104, and O’Neal Family Trust, a revocable Texas trust formed on January 9, 2018 with its principal business address at 60 Wicklow Dr., Hilton Head Island, SC 29928. FW-MQX Holdings, LLC’s parent is Franworth, LLC a Michigan limited liability company formed on August 23, 2012 with its principal business address at 106 E Liberty Street, Ann Arbor, MI 48104.

Our immediate predecessor is FEMO Group, LP, a Texas limited partnership formed on January 5, 2012 (“FEMO Group”). FEMO Group shares our principal business address at 8940 Western Way, Suite #2, Jacksonville, Florida 32256. FEMO Group purchased all of the assets of FEMO Holdings, LP (“FEMO Holdings”) and its affiliated companies effective December 30, 2011. FEMO Holdings previously owned the MosquitoNix system before it was sold to our parent FEMO Group effective December 20, 2011.

Our prior affiliate FEMO Group Franchise Systems, LLC, a Texas limited liability company formed on September 12, 2012 (“FEMO GFS”), offered and sold franchises for a different version of MosquitoNix-specific businesses from October 2012 to October 2014, and for combined MosquitoNix and PestFix businesses from July 2014 to August 2014. FEMO GFS never conducted a business of the type being offered in this disclosure document. FEMO GFS never conducted business activities other than the offer and sale of franchises for a different version of MosquitoNix-specific businesses and for combined MosquitoNix and PestFix businesses. The last known principal business address of FEMO GFS was 2150 Chenault Drive, Carrollton, Texas 75006.

FEMO GFS’s predecessor was FEMO Franchise Systems, LP (“FEMO FS”), a Delaware limited partnership formed on January 31, 2006, that offered franchises for a different format of Business from June 29, 2007, through April 2008. FEMO FS never conducted a business of the type being offered in this disclosure document. FEMO FS never offered franchises in any other line of business, but from July 2010 to August 2011 FEMO FS offered distribution licenses to third parties that purchase and install outdoor misting systems directly to customers without the initial or continuing training or assistance provided under

FEMO FS's then current franchise offering. The last known principal business address of FEMO FS was 2150 Chenault Drive, Carrollton, Texas 75006.

Our affiliate, MQX Products, LLC ("MQX Products"), a Delaware limited liability company formed on June 26, 2023, sells the MosquitoNix-specific pest management systems and related fogging, spraying, baiting and trapping applications and related MosquitoNix-specific holiday lighting and décor items (collectively, the "MosquitoNix Pest and Holiday Lighting Systems") to our affiliates who operate company-owned Businesses and to our franchisees. MQX Products does not currently offer or sell MosquitoNix Pest and Holiday Lighting Systems to any third-party pest control businesses directly or through alternative means of distribution, including through the internet, in retail locations and through product distribution lines, but MQX Products reserves the right to do so in the future.

The predecessor to MQX Products was FEMO Products, LLC ("FEMO Products"), which sold an earlier version of the MosquitoNix Pest and Holiday Lighting Systems now being offered and sold by MQX Products to prior company-affiliated and franchised Businesses from January 2008 to May 2023.

Neither MQX Products nor FEMO Products ever offered franchises in any line of business and have never conducted a business of the type being offered in this disclosure document. Neither MQX Products nor FEMO Products has any other business activities other than the offer and sale of the MosquitoNix Pest and Holiday Lighting Systems.

Our affiliate, Liberty Distribution, LLC, a Michigan limited liability company formed on September 22, 2017, that has its principal business address at 106 E Liberty Street, Ann Arbor, MI 48104, provides indirect services to our franchisees by providing a purchasing portal to order Required Purchases (as defined below).

We also have a series of affiliates that operate our company-affiliated Businesses, including FEMO Jacksonville LLC, FEMO Orlando LLC and FEMO WC Florida LLC, which are all Florida limited liability companies, and FEMO North Dallas, LLC, FEMO Mid-Cities LLC and FEMO Hilton Head LLC, which are all Texas limited liability companies. All of these affiliates share our same principal business address.

The Franchise

We offer franchises for businesses that will both (1) sell, install, apply and service MosquitoNix integrated residential and commercial mosquito and other indoor and outdoor pest management systems and related fogging, spraying, baiting and trapping applications (the "MosquitoNix Business") and (2) sell, install and service holiday lighting displays and decorations (the "MosquitoNix Elves Business") (collectively, the "Business"), all under the Business system (the "System") and MosquitoNix and MosquitoNix Elves trademarks, as well as other trade names, service marks, trademarks, logos, and commercial symbols we authorize (collectively, the "Marks").

MosquitoNix Businesses typically target mosquitos as well as other pests that include certain types of flies, ticks, ants (including carpenter, fire and pharaoh ants) bees, wasps, hornets, centipedes, millipedes, cockroaches, crickets, earwigs, ground beetles, pill bugs, rats, mice, spiders, sowbugs, silverfish, fleas, wasps, certain types of bees, moths, carpet beetles, pantry pests, midges/no see ums, bed bugs and mites. MosquitoNix Businesses do not target termites. See Item 13.

MosquitoNix Elves Businesses typically target the same customers who purchase mosquito or other pest control business services.

We offer you the opportunity to enter into a single franchise agreement ("Franchise Agreement"). Our current form of Franchise Agreement is attached as Exhibit B to this disclosure document. The franchise gives you the exclusive right to operate a Business in a designated geographic area (the "Territory").

We do not currently permit you to purchase a MosquitoNix Business or MosquitoNix Elves Business without the other.

We may offer you the right to acquire and operate one or more existing company-affiliated Business(es) in Florida, South Carolina and Texas from us or our affiliates (each a “Refranchised Business”). These company-affiliated Businesses are operated in Territories of approximately the size offered to new franchises under this disclosure document. In addition to signing a Franchise Agreement for each Refranchised Business, you must sign an agreement (“Refranchising Asset Purchase Agreement”) for the purchase of the assets of each Refranchised Business you acquire from us or our affiliate. The Asset Purchase Agreement (Sale) is attached to this disclosure document as Exhibit F.

Competition

The market for residential and commercial mosquito and other indoor and outdoor pest control services is partially seasonal (Spring, Summer and Fall) and highly competitive and includes locally owned and large regional and national chains. You may have to compete with other businesses including franchised operations, landscape operations, national chains and independently owned companies offering outdoor misting, general pest control, spraying, bombing, fumigating and other systems and services for pest elimination and control to residential and commercial customers.

The market for holiday lighting displays and decoration installation and servicing is seasonal (winter holidays) and generally more local in nature and includes local handymen and artisans but continues to develop.

Industry-Specific Regulation

There are specific regulations pertaining to the mosquito and pest control business and you must comply with all local and state pesticide codes and regulations and all Environmental Protection Agency (“EPA”) and other environmental regulations pertaining to the use, disposal and storage of pesticides. You may be required by local and state authorities to obtain certain permits, registrations, certifications or licenses to operate a Business. You must obtain all required licenses and permits and ensure that your employees and others providing pest elimination and control services to customers on behalf of your Business have all required licenses and permits.

Certain jurisdictions require every employee involved in the application of pesticides to be trained and tested, and you must ensure compliance with all such requirements. In other jurisdictions, you must have at least 2 years of experience to qualify for an individual pesticides license. If you are located in any of those jurisdictions and do not have the required experience, you must hire at least one individual with the necessary license or partner with an individual with the necessary license. The failure to maintain the proper licensing and permits is a material breach of the Franchise Agreement.

We are not specifically aware of federal or state regulations specific to the holiday lighting and décor business, but you may have certain regulations specific to your own geographic area. If you have a large trailer for your Business, you may need to have a specific type of driver’s license in your area.

We recommend that you check with your state and local agencies to determine which laws apply to the operation of a Business in your area. You should consider these laws and regulations when evaluating your purchase of a franchise.

**ITEM 2
BUSINESS EXPERIENCE**

Mike O’Neal, President

Mike O’Neal has served as our President since our formation in June 2023. Mr. O’Neal has also served as President of FEMO Group since April 2019.

Jennifer O’Neal, Vice President of Operations

Jennifer O’Neal has served as our Vice President of Operations since our formation in June 2023. Mrs. O’Neal has served as Operating Partner of our affiliate and immediate predecessor FEMO Jacksonville since March 2016.

Jennifer Gracheck, Vice President of Marketing

Jennifer Gracheck has served as our Vice President of Marketing since our formation in June 2023. Mrs. Gracheck has served as Vice President of Marketing of our affiliate and immediate predecessor FEMO GFS and our parent FEMO Group since March 2016.

F. Dan O’Neal, Board Member

F. Dan O’Neal has served as our Board Member since our formation in June 2023. Mr. O’Neal served as the Chief Executive Officer of our affiliate and immediate predecessor FEMO Group since their formation in January 2012 to April 2019.

Dave Keil, Board Member

Mr. Keil has served as Franworth’s President and Chief Operating Officer since July 2019. He serves in this capacity in Ann Arbor, Michigan.

**ITEM 3
LITIGATION**

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

**ITEM 4
BANKRUPTCY**

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

**ITEM 5
INITIAL FEES**

Initial Franchise Fee

When you sign the Franchise Agreement, you must pay us an initial franchise fee (“Initial Franchise Fee”) in full. The Initial Franchise Fee for a single Business alone is \$49,000. The Initial Franchise Fee amount for a single Business is based on a proposed territory of up to 60,000 single-family households who meet an average annual household income of \$100,000 (each a “Targeted Household”). Targeted Household income is determined by available census materials and third-party vendors. We may, in our sole discretion, offer you up to an additional 15,000 Targeted Households at a cost of \$0.81 each. The Initial Franchise Fee is determined and paid when you sign the Franchise Agreement and is not refundable. The Initial Franchise Fee is subject to discounts, which are described below.

During the initial term of the Franchise Agreement, you will maintain rights to your Territory even if the demographics of you Territory change. On renewal, we have the right to reconfigure the Territory if the number of Targeted Households increase.

Veteran Discount

We are a member of the International Franchise Association (“IFA”) and participate in the IFA’s VetFran Program. If you qualify for the VetFran program sponsored by the IFA, your initial franchise fee for a single Business will be reduced by \$2,500.

Additional Territory Discount

We do not offer an area development or multi-territory franchise rights, but at our option, you may be offered an option to purchase additional Territories. Each additional Territory must be purchased by paying the then-current Initial Franchise Fee and by signing the then-current Franchise Agreement.

You are not required to purchase any additional franchises either when you purchase your Business or in the future, but we provide a discount on the Initial Franchise Fee you will pay if we offer you an option to purchase an additional Territories and you decide to purchase two or more additional Territories either concurrently with the purchase of your Business or at some later date so long as you are then in good standing under your then current franchise agreement(s).

If you are qualified, and we award you the right to purchase multiple territories, we provide a discount on the initial franchise fee as follows:

Total Number of Franchise Businesses Purchased	Amount of Initial Franchise Fee	Cumulative Development Fee
1	\$49,000	\$49,000
2	\$49,000	\$98,000
3	\$44,000	\$142,000
4	\$44,000	\$186,000
5	\$44,000	\$230,000
6	\$39,000	\$269,000
7	\$39,000	\$308,000
8	\$39,000	\$347,000
9	\$39,000	\$386,000
10 and above	\$35,000	\$421,000

Each Business must be operated pursuant to its own Franchise Agreement.

Initial Training

Prior to opening, you will pay to us a \$7,000 initial training fee (“Initial Training Fee”) for our initial training program (“Initial Training Program”). The Initial Training Fee is due at the time you execute the Franchise Agreement and is not refundable under any circumstances. The Initial Training Fee is uniformly imposed for all franchisees. This Initial Training Fee is due only in connection with your first Territory. The Initial Training Fee includes five (5) days of technical training in Jacksonville, Florida and three (3) days of virtual business training.

Opening Package Purchase Requirement

Within 30 days after all required personnel complete our Initial Training Program and, in all cases, before

you open your Business, you must purchase from MQX Products a minimum order of \$13,500 to \$14,500 of MosquitoNix Pest and Holiday Lighting Systems, uniforms and yard signs. The purchase price must be paid on shipment and is non-refundable.

Pre-Opening Marketing Material Purchase Requirement

Within 30 days after all required personnel complete our Initial Training Program and in all cases before you open your Business, you must purchase from us printed marketing materials. The cost of these items is \$2,000, and it is non-refundable. These items consist of an initial supply of printed marketing materials.

Refranchised Business

If you purchase a Refranchised Business, you must purchase the assets of the Refranchised Business from us or our affiliate under the terms of the Refranchising Asset Purchase Agreement attached to this disclosure document as Exhibit F. The payment for the assets of a particular Refranchised Business will vary based on the existing customers and related prior revenues of the Refranchised Business, the amount, type, and age of the equipment to be purchased, and other factors. See Item 7.

If you purchase a Refranchised Business, you will not pay an initial franchise fee, but depending on your experience and/or existing inventory you may be required to pay an Initial Training Fee, purchase a minimum order of \$13,500 to \$14,500 of MosquitoNix Pest and Holiday Lighting Systems, uniforms and yard signs and/or purchase printed materials from us.

We have not previously offered franchises for the operation of Refranchised Businesses. The payments for your purchase of the assets of each Refranchised Business are nonrefundable.

[continued on the following page]

**ITEM 6
OTHER FEES**

Fees ⁽¹⁾	Amount	Due Date	Remarks																																
Royalty Fee	<p>The greater of:</p> <p>(1) a percentage of Gross Sales of the Business achieved during the immediately preceding week during the applicable Agreement Year based on the following chart:</p> <table border="1" data-bbox="293 506 813 751"> <thead> <tr> <th>Gross Sales per Agreement Year</th> <th>Percentage of Gross Sales</th> </tr> </thead> <tbody> <tr> <td>\$0 to \$500,000</td> <td>10%</td> </tr> <tr> <td>\$500,001 to \$600,000</td> <td>9%</td> </tr> <tr> <td>\$600,001 to \$700,000</td> <td>8%</td> </tr> <tr> <td>\$700,001 and above</td> <td>7%</td> </tr> </tbody> </table> <p>OR</p> <p>(2) a minimum weekly royalty fee for such week for the applicable Agreement Year based on the following chart:</p> <table border="1" data-bbox="306 984 800 1503"> <thead> <tr> <th>Agreement Year</th> <th>Minimum Weekly Royalty Fee</th> </tr> </thead> <tbody> <tr> <td>Agreement Year 1</td> <td>\$0</td> </tr> <tr> <td>Agreement Year 2</td> <td>\$137.50</td> </tr> <tr> <td>Agreement Year 3</td> <td>\$162.50</td> </tr> <tr> <td>Agreement Year 4</td> <td>\$187.50</td> </tr> <tr> <td>Agreement Year 5</td> <td>\$212.50</td> </tr> <tr> <td>Agreement Year 6</td> <td>\$237.50</td> </tr> <tr> <td>Agreement Year 7</td> <td>\$262.50</td> </tr> <tr> <td>Agreement Year 8</td> <td>\$287.50</td> </tr> <tr> <td>Agreement Year 9</td> <td>\$312.50</td> </tr> <tr> <td>Agreement Year 10</td> <td>\$387.50</td> </tr> </tbody> </table>	Gross Sales per Agreement Year	Percentage of Gross Sales	\$0 to \$500,000	10%	\$500,001 to \$600,000	9%	\$600,001 to \$700,000	8%	\$700,001 and above	7%	Agreement Year	Minimum Weekly Royalty Fee	Agreement Year 1	\$0	Agreement Year 2	\$137.50	Agreement Year 3	\$162.50	Agreement Year 4	\$187.50	Agreement Year 5	\$212.50	Agreement Year 6	\$237.50	Agreement Year 7	\$262.50	Agreement Year 8	\$287.50	Agreement Year 9	\$312.50	Agreement Year 10	\$387.50	By 5 pm (CST) on the first business day of each week for the immediately preceding week.	<p>Gross Sales means all revenue from sales of the Business, including amounts received from the sale of products and services of every kind and nature, and whether from cash, check, credit card or credit transactions. Gross Sales does not include (i) bona fide refunds to customers that are specifically authorized by us (ii) sales taxes collected (iii) discounts, coupons, and promotions, or (iv) sales of prepaid cards or similar products.</p> <p>You must pay the Royalty Fee by electronic funds transfer.</p> <p>The obligation to pay Royalty Fees being the earlier of (i) the date you begin operating the Business or (ii) a maximum of 90 days after the execution of the Franchise Agreement by us.</p> <p>We define an Agreement Year as each 12-month period during the term of the Franchise Agreement, beginning on the first day of the month following the Opening Date and continuing until the expiration or termination of the Franchise Agreement. A partial Agreement Year between the end of the last full Agreement Year and the termination or expiration of this Agreement will also constitute a separate Agreement Year.</p> <p>In all cases, the Royalty Fee is paid on a per Business/Territory basis with no consolidation of multiple Territories.</p>
Gross Sales per Agreement Year	Percentage of Gross Sales																																		
\$0 to \$500,000	10%																																		
\$500,001 to \$600,000	9%																																		
\$600,001 to \$700,000	8%																																		
\$700,001 and above	7%																																		
Agreement Year	Minimum Weekly Royalty Fee																																		
Agreement Year 1	\$0																																		
Agreement Year 2	\$137.50																																		
Agreement Year 3	\$162.50																																		
Agreement Year 4	\$187.50																																		
Agreement Year 5	\$212.50																																		
Agreement Year 6	\$237.50																																		
Agreement Year 7	\$262.50																																		
Agreement Year 8	\$287.50																																		
Agreement Year 9	\$312.50																																		
Agreement Year 10	\$387.50																																		
Brand Development Fund	Currently 2% of Gross Sales, but we may increase the Brand Development Fund up to 3% of Gross Sales on 60 days' notice.	Payable Weekly.																																	
Customer Acquisition Commission	8% of your Gross Sales for single new sale of QuickNix application, misting system installation, system warranty upgrade, pest control application, or holiday lighting displays and decorations and installations	When invoiced.	The Customer Acquisition Center is a full time sales team which relieves the franchisee from hiring a sales team. See Item 8.																																
Local Marketing Requirement	\$42,000 during your first Agreement Year, and then each Agreement Year thereafter an amount based on your Gross Sales during the immediately preceding Agreement Year:	To be spent annually according to marketing plan	You must promote your Business within your Territory. All Marketing materials that you propose to use need to be approved.																																

Fees ⁽¹⁾	Amount		Due Date	Remarks
	Gross Sales During Prior Agreement Year	Minimum Local Marketing Requirement	recommended by us.	
	\$0 to \$500,000	\$42,000		
	\$500,001 to \$700,000	\$21,000		
	\$700,001 and above	\$16,800		
	If you have multiple contiguous Territories under additional franchise agreements with us, then your Local Marketing Requirement for each contiguous Territory will be \$15,000 per contiguous Territory.			
Technology Fee	An annual amount we set for each calendar year based on our then current estimated costs payable in installments each week; currently \$75 per week, but we will not increase the Technology Fee by more than 20% in any calendar year.		Payable Weekly.	The Technology Fee is for technology-based innovation expenditures that we deem valuable investments for the System, which may include new Technology and Information Systems, mobile training and operational performance software, cloud-based franchise-management solutions, IT phone support and database maintenance, digital marketing, online ordering and loyalty subscriptions, iPad mobile device management, and e-learning solutions loyalty programs, Customer surveys and other operational functions for your service vehicle.
Purchases from MQX Products	The then current price charged to franchisees for the array of MosquitoNix Pest and Holiday Lighting Systems, uniforms and yard signs and related marketing materials needed for your Business.			You must purchase from MQX Products your continuing MosquitoNix Pest and Holiday Lighting Systems, uniforms and yard signs for your Business.
Regional Advertising Cooperative	Currently none, but if established, up to 2% of your Gross Revenue.		As arranged	Payable only if we implement a Regional Advertising Cooperative. If implemented, you will pay no less than 1% and no more than 2% of Gross Sales. Cooperative payments shall count toward your Local Marketing Requirement
Special Promotional Programs	An amount based on your pro-rata assessment of the cost of the program, generally ranging from \$250 to \$2,500		When invoiced.	You must participate in special sales programs or other promotional activities (like joint advertising programs) that we develop for Businesses generally. Any associated costs are in addition to your required Local Marketing Requirement.

Fees⁽¹⁾	Amount	Due Date	Remarks
Initial Training Fee	\$7,000	When invoiced.	Before you open the Business, you and/or your Operations Manager and any of your owners whom we require must have attended and satisfactorily completed to our satisfaction our orientation and Initial Training Program for the Business. The Initial Training Program includes 5 days of Technical Training in Jacksonville, FL and 3 days of Virtual Business Training.
Additional Training; Replacement Personnel Training; and On-site Remedial Training	Our then current daily training fee; plus trainer's travel expenses. Current \$350 per day for on-site training; and \$1,500 per additional attendee for Technical Training.	When invoiced.	If you request that we provide additional training or if we determine additional training is necessary, you must pay our daily rate for each trainer we send, and you must reimburse each trainer's expenses, including travel, lodging and meals. All additional training is at our discretion.
Transfer Fee	\$10,000 ⁽²⁾	When invoiced.	Paid only for transfers by you or a Principal Owner.
Securities Offering Fee	Our reasonable costs to review the proposed offering, but capped at \$5,000	When invoiced.	We limit our review to the manner in which the offering materials treat your and our relationship.
Renewal Fee	\$10,000	On renewal.	
Convention Fee	Currently, \$1,000 per attendee	When invoiced.	You must send one person to attend our annual conventions (if applicable) per Territory, and you must pay the Convention Fee.
Supplier Approval Fee	Our reasonable expenses, but capped at \$5,000	When invoiced.	Payable only if you ask us to approve an item or supplier not currently approved.
Re-Inspection Fee	Cost of re-inspection	When invoiced.	Paid only if you fail to correct deficiencies noted in our original inspection.
Audit Fee	Cost of audit	When invoiced.	Paid only if an audit shows you have understated Gross Sales or any amount owed to us by 2% or more or if there is a discrepancy of 5% or more from any other data you report to us.
Insurance Fee	Our actual third party costs incurred plus \$500 per month for each month we secure insurance for you	When invoiced.	Payable only if you fail to maintain the required insurance, and we secure it for you. We have no obligation to obtain insurance for you. You must also pay the cost of the insurance.
Late Report Fee	\$200 per late report	When invoiced.	Payable if you fail to submit a weekly Gross Sale report on the first business day of the week.
Interest	1.5% per month or the maximum lawful rate	When invoiced.	Payable only if you fail to pay amounts due on time.

Fees⁽¹⁾	Amount	Due Date	Remarks
Tax Adjustment	The amount of the tax	When invoiced.	Payable only if the imposition of a tax (excluding an income tax on our income) would decrease the amount of the Initial Franchise Fee and Royalty Fee that we are entitled to receive under the Franchise Agreement.
Indemnification	An amount equal to our actual losses and expenses arising from the underlying matter for which you are required to indemnify us.	On demand.	You must indemnify us against third party claims relating to your Business.
Liquidated Damages	If the Business has been operating as a Business for at least 1 year, the sum of the average of the monthly Brand Development Fee, Technology Fee, and Royalty Fee payable to us under the Franchise Agreement over the immediately preceding 1 year, multiplied by the number of months that would then otherwise remain in the then-current term of the Franchise Agreement; or If the Business was not opened with our authorization or has not been operating as a Business for at least 1 year and the Franchise Agreement is terminated, you must promptly pay to us liquidated damages in an amount equal to \$50,000	On demand.	Payable if the Franchise Agreement is terminated by us for any reason.
Enforcement Costs	Our cost to enforce the Franchise Agreement	On demand.	These costs include legal and court costs and reasonable attorney's fees. Payable only if you do not comply with the Franchise Agreement.
Administrative Default Fee	\$100 per occurrence, \$100 per week until cured	Upon demand	We may charge this fee if you breach any of the terms, conditions, or policies outlined in the Franchise Agreement or the Brand Standards Manual, otherwise fail to comply with our standards and specifications, or use unauthorized products, equipment, or vendors. We will address such matters through compliance reports prepared for non-compliant franchisees with a reasonable cure period.

Notes:

(1) All fees and expenses in this Item 6 are non-refundable and, unless otherwise indicated in the preceding chart, are imposed uniformly by us and are payable to us. Except as otherwise noted, we may increase these amounts based on changes in market conditions, our cost of providing services and future policy changes, but we have no present plans to increase any fees.

(2) You will be responsible for any franchise seller commissions or franchise broker commissions if applicable in your transaction.

**ITEM 7
YOUR ESTIMATED INITIAL INVESTMENT**

For a new Business

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ⁽¹⁾	\$49,000	Lump Sum	Execution of Franchise Agreement	Us
Service Vehicle ⁽²⁾	\$6,200 to \$6,400	Lump Sum and Installments	As Arranged	Supplier
Opening Package ⁽³⁾	\$13,500 to \$14,500	Lump Sum	Prior to Opening	Us
Tools & Equipment ⁽⁴⁾	\$4,000 to \$7,500	Lump Sum	Prior to Opening	Suppliers
Storage Facility Rent ⁽⁵⁾	\$450 to \$1,500	As Arranged	As Invoiced	Supplier
Initial Computer Hardware Package ⁽⁶⁾	\$2,500 to \$3,000	As Arranged	As Invoiced	Suppliers
Insurance ⁽⁷⁾	\$500 to \$3,500	As Arranged	As Invoiced	Insurance Companies
Initial Training Fee ⁽⁸⁾	\$7,000	Lump Sum	Upon execution of the Franchise Agreement	Us
Travel & Living Expenses During Initial Training ⁽⁹⁾	\$1,500 to \$8,500	As airlines, restaurants, hotels etc. require.	As airlines, restaurants, hotels etc. require.	Airlines, restaurants, hotels, etc.
Market Entry Campaign ⁽¹⁰⁾	\$24,000	As Arranged	Within 3 months after you open your business.	Suppliers
Printed Marketing Material ⁽¹¹⁾	\$2,500	As Arranged	Prior to Opening	Us
Professional Services ⁽¹²⁾	\$250 to \$5,000	As Arranged	As Invoiced	Attorney; Accountant
Additional Funds for first three months ⁽¹³⁾	\$10,000 to \$25,000	As expenses occur	Prior and after opening	Various
Totals ⁽¹⁴⁾⁽¹⁵⁾	\$121,400 to \$157,400			

Notes:

* This chart reflects the initial investment for a new Business for a single Territory. All fees imposed by us are non-refundable unless otherwise noted. Expenses and fees paid to third parties may or may not be refundable depending on the arrangements you make with them.

(1) The Initial Franchise Fee for a single Business is \$49,000. The Initial Franchise Fee is based on the purchase of one Territory that approximately up to 60,000 single-family households where such households meet an average annual household income of \$100,000 (each a “Targeted Household”) Targeted Household income is determined by available census materials and third-party vendors) The Initial Franchise Fee is paid when you sign the Franchise Agreement and is not refundable. If you purchase additional Territories, we may reduce the Initial Franchise Fee if you meet certain requirements. See Item 5.

(2) You must lease or purchase your vehicle from our preferred vendors. All vehicles must be upfitted as set forth in our Brand Standards Manual. The low and high amount assumes a 10 percent down payment on a leased vehicle with an approximate cost ranging from \$62,000 to \$64,000. (Standard lease agreement assumes 10 percent down payment, 60-month term and 20 percent residual at term-end.). Costs include the costs to apply our required wrap/logo to your vehicle.

(3) Before you open your Business, you must purchase an Opening Package, which includes MosquitoNix Pest and Holiday Lighting Systems, uniforms, and yard signs needed for the operation of your Business. The purchase price must be paid on shipment and is non-refundable.

(4) This estimate includes tools & equipment that you must purchase and use in the operation of your Business.

(5) You are required to lease a storage facility to store your inventory and supplies for your Business. (“Storage Facility”). A typical Storage Facility will be a 200 to 300 square foot self-storage unit located in your Territory convenient to your home. We must accept your proposed Storage Facility site, but we do not specify where your Storage Facility must be located. Local law may require that the Storage Facility be located in a commercial (non-residential) area. You are responsible for determining local law requirement regarding the location of your Storage Facility. If you lease space, you generally will be required to pay first and last month’s rent and a security deposit at the time you enter into the lease.

(6) This amount includes the cost of computer hardware that you must use in the operation of your Business. You will purchase hardware that meets our specifications.

(7) This amount represents an estimate of the down payment & first 3 months on the annual insurance premiums for the insurance coverage described in the Franchise Agreement. Your cost of insurance may vary depending on the insurer, the location of your Business, your claims history, and other factors.

(8) We provide the Initial Training Program for up to 3 individuals to attend for a fee of \$7,000. For any additional individuals you wish to have attend, or we determine must attend, you will be charged an additional fee of \$1,500 per attendee. You must also pay all expenses you and your personnel incur in initial training, including costs of travel, lodging, meals and wages.

(9) These amounts include only your out-of-pocket costs for the expenses you or your employees incur in the initial training program, like travel to Jacksonville, Florida, lodging and meals. These costs will vary depending upon your selection of lodging and dining facilities, mode and distance of transportation. Wages for your personnel while in training are not included as they may vary widely.

(10) You must carry out a Market Entry Campaign during the first 3 months when you open for business in the Territory. We must approve all advertising items, methods, and media.

(11) This amount represents the cost for printed marketing materials needed to open your business.

(12) This estimate is for the cost to establish an entity to hold the franchise and review the franchise documentation. The cost of professional services can vary widely.

(13) You will need additional funds during the start-up phase of your business to pay employees, purchase supplies and pay other expenses. We estimate the start-up phase to be 3 months from the date you open for business. These amounts do not include any estimates for debt service. You must also pay the Royalty Fee and other related fees. You should base your estimated start-up expenses on the anticipated costs in your market and consider whether you will need additional cash reserves.

(14) We relied on the experience of our predecessors and key officers who have operated mosquito-specific businesses since 2006 to compile these estimates, including as to the MosquitoNix Elves Business, which began in 2012.

Unless otherwise stated, the amounts described above are not refundable.

YOUR ESTIMATED INITIAL INVESTMENT

For a Refranchised Business

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ⁽¹⁾	\$0	Lump Sum	Execution of Franchise Agreement	Us
Service Vehicle ⁽²⁾	\$0 to \$6,400	Lump Sum and Installments	As Arranged	Supplier
Opening Package ⁽³⁾	\$0 to \$14,500	Lump Sum	Prior to Opening	Us
Tools & Equipment ⁽⁴⁾	\$0 to \$7,500	Lump Sum	Prior to Opening	Suppliers
Storage Facility Rent ⁽⁵⁾	\$450 to \$1,500	As Arranged	As Invoiced	Supplier
Initial Computer Hardware Package ⁽⁶⁾	\$0 to \$3,500	As Arranged	As Invoiced	Suppliers
Insurance ⁽⁷⁾	\$500 to \$2,500	As Arranged	As Invoiced	Insurance Companies
Initial Training Fee ⁽⁸⁾	\$0 to \$7,000	Lump Sum	Upon execution of the Franchise Agreement	Us
Travel & Living Expenses ⁽⁹⁾	\$1,500 to \$8,500	As airlines, restaurants, hotels etc. require.	As airlines, restaurants, hotels etc. require.	Airlines, restaurants, hotels, etc.

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Market Entry Campaign ⁽¹⁰⁾	\$0 to \$24,000	As Arranged	Within 3 months after you open your business.	Suppliers
Printed Marketing Material ⁽¹¹⁾	\$0 to \$2,500	As Arranged	Prior to Opening	Us
Professional Services ⁽¹²⁾	\$250 to \$5,000	As Arranged	As Invoiced	Attorney; Accountant
Additional Funds for first three months ⁽¹³⁾	\$5,000 to \$25,000	As expenses occur	Prior and after opening	Various
Totals⁽¹⁴⁾⁽¹⁵⁾	\$7,700 to \$107,900			

Notes:

***This chart only applies if you are purchasing a Refranchised Business. Your Refranchised Business may consist of one or more existing MosquitoNix Business(es) and MosquitoNix Elves Business(es) operated under your Franchise Agreement**

(1) If you purchase a Refranchised Business, there is no initial franchise fee for a refranchised business. subject to a negotiated purchase and sales agreement for the customers in a re-franchised market. If you purchase a Refranchised Business, you must purchase the assets of the Refranchised Business from us or our affiliate under the terms of the Refranchising Asset Purchase Agreement attached to this disclosure document as Exhibit F. The payment for the assets of a particular Refranchised Business will vary based on the existing customers and related prior revenues of the Refranchised Business, the amount, type, and age of the equipment to be purchased, and other factors.

(2) You must lease or purchase your vehicle from our preferred vendors. All vehicles must be upfitted as set forth in our Brand Standards Manual. The low amount assumes you purchase an already approved and operating vehicle for us as part of the Refranchised Business purchase price. The high amount assumes a 10 percent down payment on a leased vehicle with an approximate cost ranging from \$62,000 to \$64,000. (Standard lease agreement assumes 10 percent down payment, 60-month term and 20 percent residual at term-end.)

(3) Before you open your Business, you must purchase an Opening Package, which includes MosquitoNix Pest and Holiday Lighting Systems, uniforms, and yard signs needed for the operation of your Business. The purchase price must be paid on shipment and is non-refundable. The low amount assumes that the Refranchised Business included the items in the Opening Package that meet our Brand Standards.

(4) This estimate includes tools & equipment that you must purchase and use in the operation of your Business. The low amount assumes that the Refranchised Business included the tools and equipment you need.

(5) You are required to a storage facility to store your inventory and supplies for your Business. (“Storage Facility”). Local law may require that the Storage Facility be located in a commercial (non-residential) area. You are responsible for determining local law requirements regarding the location of your Storage Facility. If you lease space, you generally will be required to pay first and last month’s rent and a security deposit at the time you enter into the lease. The low amount assumes that you assume a prior lease with no additional security deposit requirement.

(6) This amount includes the cost of computer hardware that you must use in the operation of your Business. You will purchase hardware that meets our specifications. The low amount assumes that you will not need to purchase additional hardware and software for the Refranchised Business.

(7) This amount represents an estimate of the down payment & first 3 months on the annual insurance premiums for the insurance coverage described in the Franchise Agreement. Your cost of insurance may vary depending on the insurer, the location of your Business, your claims history, and other factors.

(8) We provide the Initial Training Program for you and up to two additional employees for a fee of \$7,000. The low amount assumes that this is not your first Business and you are therefore not required to attend the Initial Training Program.

(9) These amounts include only your out-of-pocket costs for the expenses you or your employees incur in the initial training program, like travel to Jacksonville, Florida, lodging, meals and wages. These costs will vary depending upon your selection of salary levels, lodging and dining facilities, mode and distance of transportation. Wages for your personnel while in training are not included.

(10) We generally do not require you to carry out a Market Entry Campaign when you purchase an operating Refranchised Business so the low amount assumes no Market Entry Campaign, but we reserve the right to require you to carry out a Market Entry Campaign during the first 3 months when you open for business in the Territory if we determine it is necessary for your specific Refranchised Business. We must approve all advertising items, methods and media.

(11) This amount represents the cost for printed marketing materials needed to open your business. The low amount assumes you receive a supply of existing printed marketing materials when you purchase your Refranchised Business.

(12) This estimate is for the cost to establish an entity to hold the franchise and review the franchise documentation. The cost of professional services can vary widely, especially with respect to any assistance you obtain to review the Refranchising Asset Purchase Agreement.

(13) Even if you are purchasing a Refranchised Business, you will need additional funds during the start-up phase of your business to pay employees, purchase supplies and pay other expenses. We estimate the start-up phase to be 3 months from the date you open for business. These amounts do not include any estimates for debt service. You must also pay the Royalty Fee and other related fees.

(14) We relied on the experience of our predecessors and key officers who have operated mosquito-specific businesses since 2006 to compile these estimates, including as to the MosquitoNix Elves Business, which began in 2012. You should review these figures carefully with your business advisor before purchasing a Refranchised Business.

Unless otherwise stated, the amounts described above are not refundable.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You may use only the products, services, supplies, uniforms, marketing materials, inventory, equipment, customer contracts and related forms, computer hardware and software, and signs that we have approved as meeting our specifications and standards for quality, design appearance, function and performance. We have the right to designate or approve suppliers of any of these items. We will give you a list of any approved or designated suppliers and may periodically notify you of revisions to the list. We and our affiliates may be designated or approved as suppliers, and in some cases may be the only designated or approved suppliers. We and our affiliates may receive revenue based on your required purchases, either

from selling the items to you or from payments we receive from third party suppliers we designate or approve.

Required Purchases from Us, Our Affiliates or Designated Third Party Suppliers.

MosquitoNix Pest and Holiday Lighting Systems. You must purchase all of your MosquitoNix Pest and Holiday Lighting Systems from MQX Products. For the pest side of your Business, the MosquitoNix Pest and Holiday Lighting Systems currently consists of a controller, pump, motor, risers, nozzles, tubing, chemicals, and other related items and components, and the applications include chemicals. For your holiday lighting and décor businesses, the MosquitoNix Pest and Holiday Lighting Systems currently consists of all lighting and décor items.

MQX Products currently sells the MosquitoNix Pest and Holiday Lighting Systems to you through a portal managed by our affiliate Liberty Distribution, LLC. We or our affiliates will generate revenue from these purchases.

MQX Products does not currently sell any of the MosquitoNix Pest and Holiday Lighting Systems directly to third-party pest control businesses or holiday lighting and décor businesses or through alternative means of distribution, including through the internet, in retail locations and through product distribution lines, but we and they reserve the right to sell the MosquitoNix Pest and Holiday Lighting Systems through alternative means of distribution in the future.

We are currently the only approved vendor for the Customer Acquisition Center (“CAC”). The CAC is a full time sales team which relieves the franchisee from hiring a sales team. The CAC charges a commission for each new sale closing. The CAC will assist a franchisee with prospecting, lead nurturing, follow-ups and cross selling. We manage the training, onboarding and quality control of the CAC team to ensure the franchisees can focus on specific key performance indicators to ensure market growth. You are required to sign up for the CAC program, but you only pay us fees for sales closings for your MosquitoNix Business. The CAC will provide a video consultation to your qualified customer prospects.

Purchases from Approved Suppliers.

Hardware and Ancillary Items. In addition to the MosquitoNix Pest and Holiday Lighting Systems, we are an approved supplier of the hardware and ancillary items that you will need to conduct your Business. We also screen suppliers locally, and you may purchase approved items from any of the local suppliers we have approved.

Standards and Specifications. All items you use in the operation of your Business must meet our standards and specifications, including those described below. If we later approve one or more suppliers for a particular item, you will be required to purchase that item from our approved supplier.

Signage. We have the right to determine whether your signage complies with our specifications and standards but will not unreasonably withhold our approval.

Uniforms. Your employees must wear uniforms that conform to the specifications contained in the Franchise Agreement and Brand Standards Manuals.

Customer Contracts. The customer contracts must conform to our standards and specifications.

Technology and Information Systems. See Item 11 for a description of our general specifications for your Technology and Information Systems.

Service Vehicles. Your service vehicles must conform to the standards contained in the Franchise Agreement and the Brand Standards Manuals. We expect you to use the same vehicle for your MosquitoNix

Business and your MosquitoNix Elves Business.

Insurance. You must obtain and maintain in full force and effect the of levels of insurance specified in the Franchise Agreement and the Brand Standards Manual or applicable law, including comprehensive general public liability insurance (including, Pesticide and Herbicide Applicators endorsement, broad form contractual liability, broad form property damage, personal injury, completed operations, products liability and property damage insurance), automobile liability coverage (including, coverage of owned, non-owned and hired vehicles), workers compensation insurance or alternative coverage as permitted by applicable law and satisfactory to us, and all risks coverage for the full cost of replacement of the Storage Facility premises and other property in which we may have an interest. All policies must be written by a responsible insurance carrier or carriers rated "A" or better by the A.M. Best Company, Inc. and must be acceptable to us.

Current insurance requirements are as follows:

- (a) Comprehensive General Liability Insurance, including Pesticide and Herbicide Applicators endorsement, broad form contractual liability, broad form property damage, personal injury, completed operations, products liability and fire damage coverage, in the amount of \$1,000,000 combined single limit.
- (b) Automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than \$1,000,000 combined single limit.
- (c) Worker's compensation insurance in amounts required by applicable law or comparable alternative coverage as permitted by applicable law and satisfactory to us.
- (d) "All Risks" coverage for the full cost of replacement of the premises of any Storage Facility and all other property in which we may have an interest with no coinsurance clause for the premises.
- (e) any other additional insurance required by the terms of any Lease or lender for the Business.

Advertising Materials. We have the right to approve the media and materials you use in your local marketing. If we have not approved them within the preceding 6 months, you must submit the materials you plan to use to us for approval at least 30 days before you plan to use them. If we do not approve the materials within the 30 days, you should consider the materials disapproved and you may not use them. If you purchase a Refranchised Business, certain assets that we purchased through third party vendors will be sold to you as part of the Refranchising Asset Purchase Agreement transaction.

Supplier Approval Procedure.

If we have approved a particular item, or the supplier for a particular item, and you want to use a different item or supplier, you must give us written notice. You must also submit to us, or to an independent laboratory we designate, samples of the item and other information we may request. We may also inspect the supplier's facilities. You cannot acquire the item from the supplier until and unless we have issued our approval. Within a reasonable time after receiving the information you submit, we will determine whether the item or the supplier meets our standards and specifications. Our specifications for products and our criteria for supplier approval are issued through written communications and are available to franchisees and approved suppliers. We are not required to approve any particular item or supplier or to notify you of our approval or disapproval within any specified period of time, but we will use all reasonable efforts to approve or disapprove a proposed item or supplier within 45 days after the date on which we receive all the information we have requested. If you do not receive our written approval during that time period, however, the proposed item or supplier is deemed disapproved, and you may not use such item and/or supplier. We may revoke our approval of an item or a supplier if they fail to continue to meet our standards. You must reimburse us for the costs that we incur in the supplier approval process, whether or not approval is given.

Several of our officers own an interest in MQX Products and the Liberty Portal, which are suppliers to our franchise system.

Revenues from Product Sales.

During our fiscal year 2024, we had revenues of \$0 from the sale of required products and services to franchisees, which was 0% of our total revenues of \$157,574 during fiscal year 2024.

During its fiscal year 2024, our affiliate MQX Products had revenues of \$ \$203,944.45 from the sale of required products and services to franchisees.

During its fiscal year 2024, our affiliate Liberty Distribution, LLC had revenues of \$ \$2,071.89 from the sale of required products and services to franchisees.

Purchasing Arrangements.

We and our affiliates have negotiated and expect to continue to negotiate purchase arrangements (including price terms) with suppliers of various products and services. In doing so, we seek to promote the overall interests of the franchise system and our interests and our affiliates' interests as franchisors. Purchasing arrangements with some of these suppliers may not be available in some geographic areas. We may negotiate with these suppliers to provide us and/or franchisees volume discounts, rebates and other cash payments based on volume purchases products and services used by Businesses. These volume discounts, rebates and other cash payments include flat fee amounts paid to us or our affiliates pursuant to contract or percentage amounts we or our affiliates receive based on purchases or usage by Businesses. We anticipate that volume discounts, rebates and other cash payments received by us or our affiliates as a direct result of your purchase of products and supplies will be, in our sole discretion: (a) paid to you, (b) contributed to the development and implementation of our advertising programs for Businesses, (c) retained by us or our affiliates, or (d) otherwise used to benefit our System.

We do not provide material benefits to franchisees (like granting additional Territories) based on their use of designated or approved suppliers. There are currently no purchasing or distribution cooperatives for our System.

Your obligations to purchase or lease items from us, our affiliates, our designated or approved suppliers, or under our specifications are all considered "required purchases." We describe these obligations in detail in the preceding sections of this Item 8. The magnitude of required purchases in relation to all purchases you must make to establish and operate your Business is difficult to determine due to the variable nature of expenditures required.

We estimate that your total initial required purchases for a new Business will be about 35% to 50% of the cost of your initial purchases or leases and that your total initial required purchases for a Refranchised Business will be about 85% of the cost of your initial purchases or leases. We estimate your required purchases for the operation of the Business will be 26% or more of your annual purchases or leases.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 6.2	Items 8 and 11

Obligation	Section in Agreement	Disclosure Document Item
b. Pre-opening purchases/leases	Sections 6.1, 6.8, 6.15, 6.16, 8.5 and 9.1 to 9.5	Items 5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	Sections 6.2, 6.7, 8.5, 9.1, and 9.2	Items 1, 7, 8 and 11
d. Initial and ongoing training	Section 6.7	Items 6, 7 and 11
e. Opening	Sections 6.1 and 8.5	Items 7 and 11
f. Fees	Sections 4.1-4.4	Items 5 and 6
g. Compliance with standards and policies/Manuals	Sections 6.17 and 6.19	Items 8, 11, 14 and 16
h. Trademarks and proprietary information	Section 12	Items 11, 13 and 14
i. Restrictions on products/services offered	Sections 2.1 and 6.15	Items 8 and 16
j. Warranty and customer service requirements	Sections 5.8, 6.6, and 6.13	Item 16
k. Territorial development and sales quotas	Section 7	Item 12
l. Ongoing product/service purchases	Section 6.14	Items 8, 11 and 16
m. Maintenance, appearance and remodeling requirements	Sections 6.8 and 6.17	Item 8
n. Insurance	Section 9	Items 7 and 8
o. Advertising	Section 8	Items 6, 8 and 11
p. Indemnification	Section 6.23	Item 6
q. Owner's participation/ management/ staffing	Sections 6.3 and 6.4	Items 1, 11 and 15
r. Records and reports	Section 4.8	Item 11
s. Inspections and audits	Section 6.21	Items 6 and I 1
t. Transfer	Section 13	Items 6, 10 and 17
u. Renewal or extension of rights	Section 3.2	Items 6, 12 and 17
v. Post-termination obligations	Sections 15.1 to 15.4	Item 17
w. Noncompetition covenants	Sections 11 and 15.3	Item 17
x. Dispute resolution	Section 17	Item 17

**ITEM 10
FINANCING**

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

**ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, TECHNOLOGY SYSTEMS, AND TRAINING**

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

Pre-Opening Obligations: Before you open your Business, we or our designee will:

1. Review the proposed site for your first Storage Facility for minimum compliance with our requirements. (Franchise Agreement, Section 6.2). Factors we use to review and approve a potential Storage Facility include the proximity of the Storage Facility to the area you will service, adequate square footage for inventory and supplies, and you representation that the Storage Facility meets local and federal regulatory requirements for the storage of chemicals. We will have 30 days after receipt of the foregoing information to approve or disapprove to approve the proposed site as a Storage Facility. The Territory will

be determined and described in Exhibit A to the Franchise Agreement before you sign it. The Storage Facility location will be listed in Exhibit A to the Franchise Agreement. We do not generally own or lease the Storage Facility location to you, and we are not required to assist you in selecting a site for a Storage Facility, but you may not use any site for a Storage Facility unless we first approve your proposed site in writing. Those we approve will be listed in Exhibit A to the Franchise Agreement. You may not relocate a Storage Facility without our prior written consent. If you do not locate an approvable site and open your Business by the date listed in Exhibit A to the Franchise Agreement, you will be in default, and we can terminate the Franchise Agreement. We will insert the date you must open in Exhibit A before you sign the Franchise Agreement. We do not provide you any assistance with conforming the Storage Facility premises to local ordinances and building codes or obtaining any required permits, and/or constructing, remodeling, or decorating the Storage Facility premises.

2. Provide initial orientation and training to those of your owners and employees that we require to attend training, but we do not provide you any assistance with hiring your employees. (Franchise Agreement, Section 5.1)

3. Provide you with access to our Brand Standards Manual. (Franchise Agreement, Section 5.2). The table of contents of the Brand Standards Manual is attached to this disclosure document as Exhibit E. As of the date of this disclosure document, the Brand Standards Manual contains approximately 250 pages. Our System does not include any personnel policies or procedures or security-related policies or procedures that we (at our option) may make available to you in the Brand Standards Manual or otherwise for your optional use. You will determine to what extent, if any, these policies and procedures might apply to your operations at your Business.

4. Consult with you on your Market Entry Campaign (Franchise Agreement, Section 8.4)

5. Provide opening assistance. (Franchise Agreement, Section 5.3)

6. Make our personnel available for consultation regarding your Business. (Franchise Agreement, Section 5.4)

7. Make available to you for a fee any computer software that we have developed or acquired for our System. (Franchise Agreement, Section 5.5)

8. Make available to you for purchase and deliver to you through our affiliate MQX Products a minimum order of MosquitoNix Pest and Holiday Lighting Systems, uniforms and yard signs and make available to you for purchase from us directly and deliver to you your initial set of printed marketing materials (Franchise Agreement, Section 5.6). We will also provide a list of any other then currently approved or designated suppliers. (Franchise Agreement, Section 6.15) Except as noted above, neither we nor our affiliates provide assistance with providing equipment, signs, fixtures, opening inventory, and supplies, or deliver or install such items.

9. Manage the training, onboarding and quality control of the CAC team in return for the Customer Acquisition Commission (Franchise Agreement, Section 4.3). See Item 6.

Typical Length of Time Before You Open Your Business:

We estimate that it will be approximately 30 to 90 days from the time you sign the Franchise Agreement to the time you begin operations of a new stand-alone Business. This time period may be shorter or longer, depending on the modifications that must be made to the site to accommodate your Business. You must open your Business by the date listed in Exhibit A to the Franchise Agreement. (Franchise Agreement, Section 6.1)

If you purchase multiple contiguous franchises at once, then the Exhibit A of the Franchise Agreements for such franchises shall reflect the following:

Opening Period	Number of Franchises/ Territories Opened	Cumulative Open Franchises/Territories
3 months from Effective Date	1	1
3 through 12 months from Effective Date	2	3
13 through 18 months from Effective Date	2	5
19 through 24 months from Effective Date	4	10

Continuing Obligations: After your Business opens, we or our designee will:

1. Review any new proposed sites for Storage Facilities for compliance with our requirements. (Franchise Agreement, Section 6.2)
2. In our discretion, develop special sales and other promotional programs. When appropriate, we will list you in any advertising and sales promotional materials we develop. (Franchise Agreement, Sections 8.6 and 5.7)
3. Review your local marketing materials for compliance with our standards. (Franchise Agreement, Section 8.3)
4. In our discretion, establish and administer a national accounts program and group purchasing programs for our System and a warranty program (through MQX Products, LLC) for MosquitoNix customers. (Franchise Agreement, Sections 5.8, 6.11, 6.12 and 6.13)
5. Establish an Internet website that provides information about our System and the products and services offered by Businesses. (Franchise Agreement, Section 6.18)
6. In our discretion, establish an intranet to facilitate communications within the MosquitoNix franchise network (currently operated through WiseTail). (Franchise Agreement, Section 6.18)
7. Make our personnel available for consultation regarding your Business. (Franchise Agreement, Section 5.4)
8. In our discretion, make available to you for a fee any Technology and Information Systems that we have developed or acquired for our System. (Franchise Agreement, Section 5.5)
9. Make available to you (directly or through our affiliates) the MosquitoNix Pest and Holiday Lighting Systems as well as other products, equipment, supplies, forms, advertising materials and other items that we may require from time to time. (Franchise Agreement, Section 5.6)
10. Give you access to any non-confidential data we believe is reasonably necessary to enable you to prepare reports for your Business. (Franchise Agreement, Section 5.9)
11. Update any lists of designated or approved suppliers. (Franchise Agreement, Section 6.15)
12. Provide any additional training programs that we determine to be appropriate. (Franchise Agreement, Section 6.7)
13. At our option and for a fee, provide on-site remedial training and any training you request in addition to that which we believe is reasonably needed. (Franchise Agreement, Section 6.7)

14. To the fullest extent allowed by applicable law, establish or suggest maximum, minimum or other pricing requirements with respect to the prices that you may charge for products or services. (Franchise Agreement, Section 6.22)

Advertising

Market Entry Campaign

You must spend \$24,000 on a Market Entry Campaign beginning 4 – 8 weeks before you open your Business to approximately 3 months after you open your Business. We will determine the nature and content of the Market Entry Campaign based on the size of your Territory, specific needs for your region and the time of year you open your Business. We reserve the right to delay the timing of all Market Entry Campaign expenditures & pro-rate the expenditures based on market conditions, seasonality, timing of open and other factors, and may waive the Market Entry Campaign if you purchase a Refranchised Business. All Market Entry Campaign expenditures and related advertising must be approved by us.

Local Marketing

In addition to your Market Entry Campaign expenditures, you are required to spend at least \$42,000 during your first Agreement Year on approved local marketing in your Territory for your Business (your “Local Marketing Requirement”), but we actually recommend that you spend at least \$60,000 during the first Agreement Year. We will credit your Market Entry Campaign spending against your Local Marketing Requirement for your first Agreement Year.

Each year thereafter during the term of the Franchise Agreement, you must spend an amount based on your Gross Sales during the immediately preceding Agreement Year pursuant to the following chart:

Gross Sales During Prior Agreement Year	Minimum Local Marketing Requirement
\$0 to \$500,000	\$42,000
\$500,001 to \$700,000	\$21,000
\$700,001 and above	\$16,800

If you have multiple contiguous Territories under additional franchise agreements with us, then your Local Marketing Requirement for each contiguous Territory will be \$15,000 per contiguous Territory.

All local marketing materials and plans you decide to use are subject to our approval. (Franchise Agreement, Sections 8.1 and 8.3.) We may in the future have an in-house advertising department or use a national or regional advertising agency, and we do not restrict you from using any specific source for advertising.

We have no obligation to spend any amount on advertising in your Territory in connection with your local marketing activities.

You cannot establish, maintain, operate or participate in any website (other than our website) without our prior written approval, which we can revoke any time a website fails to continue to meet our standards.

Regional Advertising Cooperative

There are currently no advertising cooperatives. We may, from time to time, establish, change, merge or dissolve an advertising cooperative (each an “Advertising Cooperative”) for a geographical area in which 2 or more Businesses are located, or we may approve of the formation of an Advertising Cooperative by our franchisees. If we form an Advertising Cooperative for your area, we will notify you in writing of the starting date, the amount of your Advertising Cooperative’s contributions and the rules, regulations and

bylaws that will govern your Advertising Cooperative. Your contributions to a Regional Advertising Cooperative will not be less than 1% or more than 2% of your Gross Revenues, unless the maximum contribution is changed by franchisee Cooperative members in accordance with the terms of the bylaws of the Cooperative. You will be entitled to a credit against your minimum Local Marketing Requirement and promotion requirement for contributions made to an advertising cooperative; provided, however, that if your contributions to a Cooperative are less than your Local Marketing Requirement, you shall nevertheless spend the difference locally. We will determine the area of each Advertising Cooperative based on an area that we consider likely to advertise effectively on the Advertising Cooperative basis. If the Advertising Cooperative will operate according to written documents, we must approve of these documents and a copy of the Advertising Cooperative documents applicable to the geographic area in which your MosquitoNix Business will be located will be provided to you if you request it. Each Regional Advertising Cooperative may determine its own voting procedures; however, each company owned MosquitoNix Business will be entitled to one vote in any Regional Advertising Cooperative. If there is a company-owned or affiliate-owned MosquitoNix Business in your Cooperative, then they will be able to vote on all matters that you and the other Cooperative members have the right to vote on. Company-owned or affiliate-owned MosquitoNix Businesses will be subject to the same rules and contribution requirements as set forth above.

If established, the Advertising Cooperative may prepare periodic financial statements that members will have access to. (Franchise Agreement, Section 8.2.)

Brand Development Fund

You will be required to contribute 2% of your Business' weekly Gross Revenues (the "Brand Development Fees") on an ongoing basis to a Brand Development Fund, but we may raise the Brand Development Fund to 3% of Gross Sales on 60 days' written notice to you. Company-owned or affiliate-owned MosquitoNix Businesses will contribute Brand Development Fees to the Brand Development Fund at the same levels of the then applicable franchise agreement, beginning when our first franchisee begins paying Brand Development Fees. We will direct all advertising programs, including the creative concepts, materials and media used in the programs. We anticipate that any such advertising will be conducted primarily through electronic or print media on a regional or national basis, and that the majority of our advertising will initially be developed in-house. We are not required to spend any of the Brand Development Fund in the area in which your franchise is located. Subject to applicable state law (see Maryland Addendum), we are also not required to provide you with or allow you to review any financial statements or accounting of how the Brand Development Fund is spent, although we expect to use the Brand Development Fund to conduct marketing, advertising and promotional activities. We do not intend to audit the Brand Development Fund or the spending of Brand Development Fees. If the Brand Development Fund collected is not spent in the year in which we receive them, we expect to carry any remaining amounts over to succeeding years. We will not spend the Brand Development Fund for advertising that is principally a solicitation for the sale of franchises.

We will not hold the Brand Development Fees as a trustee or as a trust fund, and we and our affiliates will have no fiduciary duty to you in the administration, use, or expenditure of the Brand Development Fund. We may commingle Brand Development Fees with other money and may use them to pay all costs associated with developing, preparing, producing, directing, administering, researching, staffing, conducting, and disseminating the Brand Development Fund, as well as the administrative costs and overhead we or any of our affiliates incur in conducting Brand Development Fund Activities, and the cost of collecting and accounting for the Brand Development Fund Fees. We or our affiliates may loan money to the Brand Development Fund and may apply Brand Development Fund Fees to repay the loan. We may charge interest on the loans at then-current market rates with respect to such loans.

We or our designee will direct all Brand Development Fund Activities, including (i) the creation, production, administration and maintenance of marketing materials and our website; (ii) the purchase of advertising space in magazines, newspapers, and similar printed media or on the Internet or other electronic medium; (iii) the purchase of advertising on radio, television, the Internet, and other electronic media; (iv)

advertising, marketing, promotional, public relations, and sales campaigns, programs, seminars and other activities designed to increase sales or public awareness of the System; (v) market research; (vi) the retention of advertising agencies, marketing consultants, public relations firms, and other professionals to assist in the development and implementation of any of the foregoing; and (vii) the advertising, marketing, promotional and sales activities of us and our affiliates, including placement and allocation. We anticipate that Brand Fund Activities will be conducted primarily through electronic or print media on a regional or national basis, and that the majority if not all of our advertising will initially be developed in-house and then later we may use a national or regional agency.

No Brand Development Fund contributions are used for advertising that is principally a solicitation for the sale of new franchises.

We reserve the right to terminate or suspend (and, if suspended, to re-activate) the Fund and/or establish methods of funding Brand Fund Activities other than payment of the Brand Fund Fees.

During our last fiscal year ended December 31, 2024, we had the following Brand Development Fund expenditures: 4.07% production; 37.06% website; and 58.87% administration.

Franchisee Advertising Council

We do not have any franchisee advertising counsel in place at this time.

Customer Information/Privacy and Data Protection

All Customer Information that we obtain from you and that you collect from your Customers and all revenues we derive from such Customer Information will be our property and our Confidential Information that we may use for any reason without compensation to you. At your sole risk and responsibility, you may use such Customer Information that you acquire from your Customers and other third parties solely in connection with operating the Business. (Franchise Agreement, Section 6.25).

You will: (i) comply with all applicable privacy laws (“Privacy Laws”); (ii) comply with all Brand Standards that relate to Privacy Laws and the privacy and security of Customer Information; (iii) comply with any posted privacy policy and other representations made to the individual identified by Customer Information you process, and communicate any limitations required thereby to any authorized receiving party in compliance with all Privacy Laws; (iv) refrain from any action or inaction that could cause us to breach any Privacy Laws; (v) maintain reasonable physical, technical and administrative safeguards for Information that is in your possession or control in order to protect the same from unauthorized processing, destruction, modification, or use that would violate the Franchise Agreement or any Privacy Law; (vi) do and execute, or arrange to be done and executed, each act, document and thing we deem necessary in our business judgment to keep us in compliance with the Privacy Laws; and (vii) immediately report to us the theft or loss of Customer Information (other than the Customer Information of your own officers, directors, shareholders, employees or service providers).

You will, upon request, provide us with information, reports, and the results of any audits performed on you regarding your data security policies, security procedures, or security technical controls related to Customer Information. You will, upon our request, provide us or our representatives with access to your systems, records, processes and practices that involve processing Customer Information in order to mitigate a security incident or so that an audit may be conducted.

You will indemnify, defend and hold us harmless from losses arising out of or relating to: (i) any theft, loss or misuse of Customer Information; and (ii) your breach of any of the terms, conditions or obligations relating to data security, privacy, or Customer Information set forth in the Franchise Agreement.

You will immediately notify us upon discovering or otherwise learning of any theft, loss or misuse of Customer Information. You will, at our direction, (i) undertake remediation efforts at your sole expense, (ii) undertake effort to prevent the recurrence of the same type of incident, and (iii) reasonably cooperate with any remediation efforts undertaken by us. You will not make any public comment regarding and data security incident without our approval. Any notifications to the media or to Customers regarding theft or loss of Customer Information will be handled exclusively by us at our discretion, and you may not contact Customers relating to such theft or loss unless you are under a legal obligation to do so, in which event (i) you must notify us in writing promptly after concluding that you have the legal obligation to notify Customers and (ii) you will limit the notices to Customers to those required by the legal obligation or as pre-approved by us. You will reasonably cooperate in connection with any notices to Customers regarding theft or loss and you will assist with sending such notices if so requested. (Franchise Agreement, Section 6.26).

Computer Requirements

You must install and maintain a Technology and Information Systems. The Technology and Information Systems is used to keep books, run routes and schedules, maintain customer account information, produce invoices, track files and provide management, sales, and financial information reports.

All computers must use Microsoft Office 365 containing Word, Excel, Outlook and PowerPoint and Quick Books, and update such programs from time to time as new versions are available.

We estimate that the cost of the Technology and Information Systems will be approximately \$3000 depending on the size of the Business and the existing computer hardware you already have available to you.

Neither we, our affiliates, nor any third parties must provide ongoing maintenance, repairs, upgrades, or updates to your Technology and Information Systems. Currently, there are no optional or required maintenance/upgrade contracts for the Technology and Information Systems, but we estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts will range from \$500 to \$1,500, and will be subject to the below described \$10,000 cap on computer modifications and upgrades during the term of the Franchise Agreement;

You must install any other hardware or software for the operation of the Business that we may require in the future, including any enhancements, additions, substitutions, modifications, and upgrades. If your Technology and Information Systems meets our standards and specifications, we will not require that you spend more than \$10,000 on computer modifications and upgrades during the term of the Franchise Agreement; however, this limitation does not apply to modifications or upgrades based on changes to our standards or specifications or to any franchise agreement entered into in connection with a renewal or transfer of a MosquitoNix Business franchise. (Franchise Agreement, Section 6.16).

Except as otherwise noted, there are no other contractual limitations on the frequency and cost to upgrade and update the Technology and Information Systems.

We may also require you to license from us, or others we designate, any computer software we develop or acquire for use by Businesses. We may require you to submit data electronically or via remote connection to allow us to compile sales data, consumer trends, costs, and other financial and marketing information we deem appropriate. We may require you to permit us to independently access and retrieve any information stored in your Technology and Information Systems, including information concerning customer accounts, Gross Sales, revenues, expenses, and financial statements. There is no contractual limitation on this requirement. (Franchise Agreement, Section 6.16).

Brand Standards Manual

After you sign the Franchise Agreement, we will give you access to our Brand Standards Manual. A copy of the table of contents of the Manual is attached as Exhibit E. We consider the contents of the Brand Standards Manual to be proprietary, and you must treat them as confidential.

Training

Before you open for business, you and/or your Operations Manager and any of your owners whom we require must have attended and satisfactorily completed to our satisfaction our orientation and Initial Training Program for the Business. (Franchise Agreement, Section 6.7) The Initial Training Program must be completed before you begin operation of the Business.

The subjects covered, approximate hours of classroom and on the job training, and other information about our initial training programs are described below:

MOSQUITONIX INITIAL TRAINING PROGRAM ⁽¹⁾

Subject	Hours of Classroom Training (See Note 1)	Hours of “On-the-Job” Training (See Note 1)	Location
Operations	15	3	Online/Training Center in Jacksonville, Florida or other location we designate
Marketing	2	0	Online/Training Center in Jacksonville, Florida or other location we designate
Sales	4	0	Online/Training Center in Jacksonville, Florida or other location we designate
Products and Equipment	4	2	Online/Training Center in Jacksonville, Florida or other location we designate
Customer Relations	2	0	Online/Training Center in Jacksonville, Florida or other location we designate
Installations	3	18	Online/Training Center in Jacksonville, Florida or other location we designate
Maintenance and Servicing	5	20	Online/Training Center in Jacksonville, Florida or other location we designate
Totals	35	43	

Note 1: Our Initial Training Program is offered as needed during the year depending on the number of new franchisees entering the network, the number of other personnel needing training, and the scheduled

opening of new Businesses. The Initial Training Program includes 5 days of Technical Training in Jacksonville, FL and 3 days of Virtual Business Training.

Instructional materials used in the Initial Training Program include the Brand Standards Manual as well as other presentation materials, including PowerPoint presentations, handouts, and recorded videos. Our training is administered and directed by Mike O'Neal and Jennifer O'Neal. Mike has 14 years of experience training with us and our affiliates and predecessors, and 14 years of training experience generally and Jennifer has 9 years of experience training with us and our affiliates and predecessors, and 9 years of training experience generally. There is no minimum level of training that any training instructor must have to conduct training for us.

We provide the Initial Training Program for a fee of \$7,000 which includes up to 3 individuals to attend. For any additional individuals you wish to have attend, or we determine must attend, you will be charged an additional fee of \$1,500 per attendee. You must also pay all expenses you and your personnel incur in initial training, including costs of travel, lodging, meals and wages. (Franchise Agreement, Section 6.7)

We may require you or your personnel to attend additional training programs and may charge a fee for the training and training materials in amount of up to \$500 per day plus reimbursement for the actual cost of any such training materials (if any). You must pay all expenses you or your personnel incur in any training program, including the cost of travel, lodging, meals and wages. (Franchise Agreement, Section 6.7)

ITEM 12 TERRITORY

We grant geographic Territories generally containing up to 60,000 single-family households where such households meet an average annual household income of \$100,000 (each a "Targeted Household"). Targeted Household income is determined by available census materials and third-party vendors.

You will be granted a Territory that we delineate based on US postal service zip codes. The actual size of the Territory will vary depending upon the amount of the Initial Franchise Fee you pay, the availability of contiguous markets, our long-range plans, your financial and operational resources, and market conditions.

A written description of the Territory will be inserted in Exhibit A to the Franchise Agreement before you sign, along with your actual initial franchise fee, and any portions of your Territory in which you will not be able to offer and sell mosquito misting services under our System because of the existence of existing franchisees of our affiliate and predecessor FEMO FS.

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

We and/or FEMO FS may in the future adapt our respective business models for use in smaller or larger geographic areas, with appropriate adjustments to fees and other business terms.

Although you will operate in the Territory, the Franchise Agreement gives you the right to store items for your Business only from the Storage Facility location(s) specified in Exhibit A to the Franchise Agreement. See Item 8 for a description of the Storage Facility selection and consent process. You may not relocate a Storage Facility without our consent.

You are prohibited from sublicensing your rights to others, from assigning or delegating your rights and obligations to operate the Business, and from purchasing and reselling MosquitoNix Pest and Holiday Lighting Systems to retailers or wholesalers without our prior written consent.

As long as you are in Good Standing (as defined in the Franchise Agreement), during the term of the Franchise Agreement, we will not establish or operate, or license anyone other than you to establish or

operate, a brick and mortar residential or commercial mosquito or other indoor or outdoor pest control business and/or holiday lighting display and decoration business (depending on the type of Business you purchased) in your Territory. However, we and our affiliates (including MQX Products) reserve the right to (i) operate and grant licenses to others to operate a residential or commercial mosquito or other indoor or outdoor pest control business and/or holiday lighting display and decoration business outside the Territory; (ii) advertise and promote our System inside and outside the Territory; (iii) develop, establish and operate (directly or indirectly), and grant franchises to others to develop establish and operate other business systems inside and outside the Territory using any other marks and to spin off, sell, or dispose of any interest in those business systems, including a residential or commercial mosquito or other indoor or outdoor pest control business and/or holiday lighting display and decoration business so long as it does not use the MosquitoNix name; (iv) engage directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, operation, license and sale of any products and services (including residential or commercial mosquito or other indoor or outdoor pest control products or services such as pest management systems and related fogging, spraying, baiting and trapping applications and/or holiday lighting display and decoration products or services such as performed using the MosquitoNix Pest and Holiday Lighting Systems) under the Marks or any other marks, inside and outside the Territory, through any method of distribution other than a Business, including large retail outlets, mail order catalogs, Internet, telemarketing, other direct marketing, or any other channel of distribution; and (v) acquire or be acquired by any company including, a company that operates or offers franchises for a residential or commercial mosquito or other indoor or outdoor pest control business and/or holiday lighting display and decoration business with outlets located or operating in the Territory under any trademarks or trade names except the Marks. These businesses may compete with your Business.

We do not grant you any options, rights of first refusal or similar rights to acquire additional franchises, but we do offer a reduced initial franchisee if you sign multiple franchise agreements for multiple Territories. See Item 5.

As noted above, we reserve the right to use alternative distribution, including the Internet, within your Territory, including under our principal trademarks and different trademarks.

There are no restrictions on our right to solicit or accept business from consumers inside the Territory, and we do not have to pay any compensation to you if we solicit or accept order inside your Territory.

Neither we nor our affiliates currently operate or plan to operate or franchise businesses under a different trademark that will sell similar products or services as your Business.

You may not actively market your Business to any person or entity whose residence or place of business is outside of the Territory, but with our prior written approval, you may sell MosquitoNix Pest and Holiday Lighting Systems outside of the Territory to Customers located in areas geographically contiguous to your Territory so long as such geographic area is not in the Territory of another Business operated by us, our affiliates or our franchisees. We may revoke our approval for you to operate outside of your Territory in our sole discretion. And, if you service Customers outside of the Territory with our approval, and elect not to execute our current form of Franchise Agreement with respect to all or any portion of such geographic area, you assume the risk that we may sell such geographic area to one or more other current or prospective franchisees of the System. If we do sell such geographic area to another franchisee, you will no longer have the right to service the Customers located in such geographic area, regardless of whether or not you installed MosquitoNix Pest and Holiday Lighting Systems for such Customers.

You may use the Internet to advertise on our website only in compliance with the Franchise Agreement.

ITEM 13 TRADEMARKS

The Franchise Agreement gives you a license to operate a Business under the Marks, including the marks

“MosquitoNix” and “MosquitoNix Elves”. FEMO Group owns the Marks (via assignment from FEMO Holdings) and licenses them to us under an Intercompany License described below.

Certain of the Marks are registered on the Principal Register with the U.S. Patent and Trademark Office (“USPTO”). FEMO Group and/or FEMO Holdings has filed and FEMO Group intends to file at the times required by law all appropriate affidavits for the Marks listed and renew each of the registrations.

Mark	Registration Number	Registration Date
MOSQUITONIX®	3,074,222	March 28, 2006; renewed March 4, 2016
MosquitoNix (Class 11)®	3,380,159	February 12, 2008; renewed June 23, 2017
Protecting Outdoor Lifestyles	5,040,501	September 13, 2016

The following applications have been filed and are currently pending:

Mark	Serial Number	Application Date
MOSQUITONIX ELVES	98335536	December 29, 2023
PESTNIX	98347284	January 08, 2024

We do not have a federal registration for two of our principal trademarks, namely MosquitoNix Elves and PestNix. Therefore, two of our principal trademarks do not have as many legal benefits and rights as a federally registered trademark. If our right to use these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no agreements in effect that significantly limit our rights to use or license the use of the Marks in a manner material to the franchise, except as follows:

Our rights to the Marks and the proprietary System know-how are derived from a nonexclusive perpetual license (the “Intercompany License”) between us and FEMO Group, L.P dated June 26, 2023. The Intercompany License grants us the right to use the Marks and the proprietary information related to the System, such as the know-how and the Manuals, for the purpose of licensing them to our franchisees and fulfilling our obligations under the Franchise Agreement. The Intercompany License is terminable only for material breach of the Intercompany License agreement and only if we do not cure or begin to cure the breach within 90 days after notice. We know of no other agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to you.

In the Acquisition, our affiliate and predecessor FEMO FS assumed an agreement originally entered into between MFS and Terminix International Company Limited Partnership (“Terminix”). Under this Coexistence Agreement, dated March 31, 2005, (for the Marks identified above by Registration Numbers 3,074,222, 3,038,997 and 3,038,996) (i) MFS agreed (among other things) not to identify these Marks with “termite monitoring” and (ii) Terminix agreed (among other things) to withdraw with prejudice prior notices of opposition relating to these Marks. The parties also acknowledged the others’ rights to and validity of their respective trademarks and made various related agreements, including agreements to refrain from contesting the other parties’ ownership and right to use and register their respective trademarks. The Coexistence Agreement terminates if either party (or their respective successor or assigns) abandons these Marks.

There is no presently effective determination of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition or cancellation proceeding, nor any pending material litigation involving any Mark which is relevant to its ownership, use or licensing.

We are a successor party to an agreement between our parent FEMO Group and a former franchisee, R4/R3

Holdings LP, that provides them the right to use the Marks to offer and sell mosquito control services in certain portions of Florida and Texas (the “R3 Agreement”). Neither we nor our affiliates sell products to R4/R3 Holdings or have any specific controls over their offer, sale or performance of mosquito control services in the area covered by the R3 Agreement.

Except for the R3 Agreement, we know of no superior prior rights or infringing use that could materially affect your use of the Marks.

We are not obligated to protect your rights to use the Marks or to protect you against claims of infringement or unfair competition. We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are party to an administrative or judicial proceeding involving the Marks if the proceeding is resolved unfavorably to you.

You must immediately notify us of any infringement of the Marks or of any challenge to the use of any of the Marks or claim by any person of any rights in any of the Marks. You and your Principals must agree not to communicate with any person other than us, any designated affiliate and our or their counsel about any infringement, challenge or claim of this type. We or our affiliates have sole discretion to take any action we deem appropriate and the right to exclusively control any litigation, or USPTO (or other) proceeding, arising out of any alleged infringement, challenge or claim concerning any of the Marks. You must execute all instruments and documents and give us any assistance that, in our counsel’s opinion, may be necessary or advisable to protect and maintain our interests or those of our affiliates in any litigation or proceeding of this type or to otherwise protect and maintain our or their interest in the Marks.

You may not use any of the Marks as part of your corporate or other name or as part of a domain name. You must also follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade name or fictitious name registrations. You must execute any documents we or our counsel determine are necessary to obtain protection for the Marks or to maintain their continued validity and enforceability. Neither you nor your Principals may take any action that would prejudice or interfere with the validity of our rights with respect to the Marks and may not contest the validity of our interest in the Marks or assist others to do so.

We have the right to substitute different trade names, service marks, trademarks and indicia of origin for the Marks if the Marks can no longer be used, or if we determine, in our sole discretion, that the substitution will be beneficial to the System. If we do, we may require you to discontinue or modify your use of any Mark or use one or more additional or substitute Marks at your expense.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents or pending patent applications that are material to the franchise. We do claim copyright protection and proprietary rights in the original materials used in the System, including our Brand Standards Manuals, bulletins, correspondence and communications with our franchisees, training, advertising and promotional materials, and other written materials relating to the operation of Businesses and the System.

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We are not obligated by the Franchise Agreement, or otherwise, to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use or licensing of the copyrights.

We treat all of this information as trade secrets and you must treat any of this information we communicate to you confidentially. You must not communicate or use our confidential information for the benefit of anyone else during and after the term of the Franchise Agreement. You must also agree not to use our

confidential information at all after the Franchise Agreement terminates or expires. You can give this confidential information only to your employees who need it to operate your Business. You must have your owners, Operations Manager, and any of your other personnel who have received or will have access to our confidential information, sign similar covenants.

All information (including, the names, addresses, service contracts, billing and other information) regarding current and former customers will be and remain our sole property and you must assign and transfer to us all rights or interests that you have or may have to any customers after the expiration or earlier termination of the Franchise Agreement. For customers of both the Business and the Existing Business, you may use the customer information that is solely related to the operation of the Existing Business, but we may use such Existing Business customers as well.

You may not use the customer information for the sale, installation or servicing of a Competitive Business, which we define as “any business, other than the Business authorized under [your Franchise Agreement], which sells, installs, applies or services residential or commercial mosquito or other indoor and/or outdoor pest control products or services and/or sells, installs and/or services holiday lighting displays and decorations”.

If you or your owners or employees develop any new concept, process or improvement in the operation or promotion of your Business, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. These concepts, processes or improvements will become our property, and we may use or disclose them to other franchisees, as we determine appropriate.

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

The operation of your Business in the Territory must be directly supervised “on-premises” by a person you designate as your “Operations Manager.” We must approve your Operations Manager, and he or she must complete our required training for the management of your Business. T The Operations Manager may be one of your owners, but need not be. If you have an Existing Business, the same person who manages your Existing Business may transition to serve as the Operations Manager of your Business. You must also employ a certified applicator for your Business.

Your Operations Manager and the non-owner officers, directors or managers of a corporate, partnership or limited liability company franchisee must sign an undertaking to maintain the confidentiality of our proprietary information and to comply with the covenants not to compete and dispute resolution procedures described in Item 17 of this disclosure document.

Your Principal Owners (defined in the Franchise Agreement) must sign a Guaranty and Assumption Agreement (“Guaranty”) guaranteeing your performance under the Franchise Agreement and binding themselves individually to certain provisions of the Franchise Agreement, like the covenants against competition and those restricting disclosure of confidential information, restrictions on transfer, and dispute resolution procedures.

Your Minority Owners (defined in the Franchise Agreement) and any non-owner Operations Manager are not required to guarantee your performance but must sign separate undertakings to be bound by the same provisions of the Franchise Agreement as your Operations Manager and to comply with the restrictions on the transfer of their ownership interests and the non-monetary obligations that apply after the Franchise Agreement terminates or expires.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell through your Business all of the products and services that we periodically specify for sale through your Business, and you must offer and sell through your Business only the products and services that we periodically specify for sale through your Business. You may not offer or sell any products or services that we have not authorized through your Business, and you must discontinue any products or services that we disapprove. We may change the products and services that you must offer and sell through your Business, and the list of any products and services you are not authorized to offer and sell through your Business. There are no contractual limitations on our ability to make such changes to the authorized or disapproved products and services being offering through your Business. You must not participate in any Competitive Business. See Items 12 and 17.

If there occurs a global, regional or local crisis such as a pandemic or other similar event, you must cooperate fully with us as to how we respond to the crisis, and you must implement any remediation plan we institute, which may include us requiring a temporary closure of your Business as part of the crisis remediation plan (whether or not all or other franchises are required to temporarily close).

You may not actively offer to provide mosquito, pest control or holiday lighting services from your Business outside your Territory. You may accept orders from customers outside the Territory only with our written consent and only if you do so in compliance with our policies and procedures.

If we establish a National Accounts program, you must service all national accounts as required by the terms of the Franchise Agreement and the terms of the National Accounts program.

You must provide to your customers all of the standard warranties and guarantees that we may develop, and you may not issue any other warranty or guarantee without our prior written consent.

You cannot establish, maintain, operate or participate in any website (other than our website) without our prior written approval, which we can revoke any time a website fails to continue to meet our standards.

You must participate in any special sales or other promotional program we require generally for Businesses, including joint advertising and promotional programs.

We reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum or other pricing requirements with respect to the prices you may charge for products or services.

We do not impose any other restrictions in the Franchise Agreement or otherwise on the goods or services that you may offer or sell or on the customers to whom you may offer or sell.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement attached to this disclosure document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 3.1	10-year initial term.

Provision	Section in Franchise Agreement	Summary
b. Renewal or extension of the term	Section 3.2	2 additional 5-year terms. However, at our sole discretion, we may offer additional renewal terms if you meet certain requirements.
c. Requirements for franchisee to renew or extend	Section 3.2	<p>Your renewal right permits you to remain as a franchisee after the initial term of your franchise agreement expires. However, to remain a franchisee, you must meet all required conditions to renewal including signing our then-current form of franchise agreement, which may be materially different than the form attached to this disclosure document.</p> <p>Other conditions include: Being in Good Standing; giving written notice to renew no less than 6 months and no more than 12 months before the end of the initial term; renovating and modernizing required items; signing general release (See Exhibit G); satisfying current qualification, training and staffing requirement; and paying a renewal fee.</p>
d. Termination by franchisee	Not Applicable.	Subject to applicable law, none.
e. Termination by franchisor without cause	Not Applicable.	Subject to applicable law, none.
f. Termination by franchisor with “cause”	Section 14.1	We may terminate on your default.
g. “Cause” defined - curable defaults	Section 14.3	You have 72 hours to cure an unauthorized use of or challenge to our Marks or a violation of any safety law; 3 days to cure a failure to permit us to inspect or audit; 5 days to cure a failure to maintain required insurance; 10 days to cure a failure to pay us or our affiliates; 30 days to cure a failure to complete initial training, to pay taxes, or to cure any other default not specifically listed above or listed as non-curable.
h. “Cause” defined – non-curable defaults	Section 14.2	Abandonment or failure to operate for 5 days (unless due to events outside your control); guilty or no contest plea to or conviction of a felony or other offense that may adversely affect us; violation of confidentiality or in-term non-compete; unauthorized transfer; insolvency, bankruptcy and related financial defaults; material misrepresentation or omission in your application or agreements with us or our affiliates; legal dissolution if you are an entity; 3 defaults within 18 months even if cured; understatement of Gross Sales, royalty payments, Local Marketing Requirement expenditures or Brand Fund Fees by more than 5% and under-report Gross Sales, royalty payments, Local Marketing Requirement expenditures or Brand Fund Fees by less than 5% twice within a 12 month period; opening or relocating a Storage Facility without prior approval.

Provision	Section in Franchise Agreement	Summary
i. Franchisee’s obligations on termination/non-renewal	Sections 15.1 to 15.4	Stop using our System and Marks; cancel assumed name filings; return Brand Standards Manuals, proprietary software and other confidential materials; de-identify within 10 days, unless we elect to acquire your business; do not represent yourself as a current or former MosquitoNix franchisee; pay amounts due; at our option, assign to us your telephone numbers and yellow pages listings; at our option, assign to us your contracts and leases and sell us your business; comply with confidentiality and non-competition covenants; payment of liquidated damages.
j. Assignment of contract by franchisor	Section 13.1	We may transfer our rights without restriction.
k. “Transfer” by franchisee – definition	Section 13.2	You and your owners must not transfer the Franchise Agreement, the assets of your Business, or any interest in you except in compliance with the Franchise Agreement.
l. Franchisor approval of transfer by franchisee	Section 13.3	We must consent to a transfer by you or a Principal Owner and you must notify us of a Minority Owner transfer. All transfers must meet certain conditions.
m. Conditions for franchisor approval of transfer	Sections 13.3 and 13.4	<p>Minority Owner Transfer – 30 days advance written notice with required information; general release (See Exhibit G); buyer must sign Minority Owner undertakings; buyer and its owners cannot be associated with a Competitive Business or jeopardize our goodwill.</p> <p>Franchisee and Principal Owner Transfer – you are in Good Standing; buyer is not associated with a Competitive Business and does not jeopardize our goodwill, is qualified, and completes required training; new franchisee signs current form of franchise agreement and its owners sign undertakings; new principal owners guaranty performance; we are paid a transfer fee; sellers sign general release (See Exhibit G); Business is upgraded to current standards; if seller finances sale, it subordinates to our fees; sellers comply with confidentiality, non-compete and other post-term obligations that survive and does not operate in a confusingly similar manner after the sale.</p>
n. Franchisor’s right of first refusal to acquire franchisee’s business	Section 13.6	Except for transfers by Minority Owners or to an existing owner or a member of an owner’s Immediate Family, we have a right of first refusal to purchase the interest being transferred.

Provision	Section in Franchise Agreement	Summary
o. Franchisor’s option to purchase franchisee’s business	Section 15.1	Upon termination or expiration of the Franchise Agreement, we have the option to purchase your leases (including Storage Facility leases and vehicle leases), customer contracts, licenses and permits and acquire your business assets for a price equal to the net book value of the tangible assets plus the fair market value of any real property.
p. Death or disability of franchisee	Section 13.7	<p>Death – on your death or the death of an owner, the deceased’s interest must be transferred within 90 days in compliance with the applicable requirements for a transfer by a Minority Owner or by you or a Principal Owner.</p> <p>Disability – if you or all of your Principal Owners who are actively involved in the management of your Business become disabled, the Franchise Agreement or owner’s interest must be transferred within 90 days in compliance with the procedures for transfer, or the Franchise Agreement will terminate.</p>
q. Non-competition covenants during the term of the franchise	Section 11	Subject to applicable law, you, your owners and your Operations Manager may not operate or have an interest in a Competitive Business. We define a Competitive Business, as which we define as “any business, other than the Business authorized under [your Franchise Agreement], which offers, sells, installs, applies or services residential or commercial mosquito or other indoor and/or outdoor pest control products or services and/or offers, sells, installs and/or services holiday lighting displays and decorations”.
r. Non-competition covenants after the franchise is terminated or expires	Section 15.3	Subject to applicable law, for 2 years after the expiration or termination of the Franchise Agreement or an approved transfer, you, your owners and your Operations Manager may not have an interest in or assist or advise any Competitive Business that is located in the Territory, or within a 50-mile radius of the Territory, or within a 50-mile radius of the territory of any other franchised Business.
s. Modification of the agreement	Section 18.5	Except for changes we can make unilaterally, all changes require mutual agreement. You must comply with the Brand Standards Manuals as amended.
t. Integration/merger clause	Section 18.5	Only the terms of the Franchise Agreement, franchise disclosure document, and other related written agreements are binding (subject to state law). Notwithstanding the foregoing, nothing in the Franchise Agreement or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 17.1	Subject to applicable law, disputes must be mediated, except for actions we bring for monies owed, injunctive or other equitable relief, or relief relating to real property, the Marks or our confidential information.
v. Choice of forum	Section 17.2	Subject to applicable law, mediation is at the AAA office nearest to Dallas, Texas. Venue for any other proceeding is the state or federal district court in which Dallas, Texas is located.
w. Choice of law	Section 17.4	Subject to applicable law, Texas law applies, except for Texas choice of law rules.

**ITEM 18
PUBLIC FIGURES**

We do not use any public figure to promote the franchise.

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

**ANALYSIS OF HISTORICAL GROSS SALES AND SELECTED COST INFORMATION FOR
COMPANY-AFFILIATED MOSQUITONIX BUSINESSES
DURING JANUARY 1, 2023 TO DECEMBER 31, 2023**

This analysis contains historical Gross Sales, cost of goods sold, operating expenses, and net income information incurred in operating all existing company-affiliated MosquitoNix and Holiday Lighting Businesses. The information represents data collected on a trailing twelve-month basis beginning January 1, 2024 and ended December 31, 2024 (the “Measurement Period”).

The Gross Sales and selected cost analysis were prepared based on the results of 7 affiliate owned and operated MosquitoNix and Holiday Lighting Businesses that were open and operating during the Measurement Period. These company-affiliated Businesses are located in markets in Florida (3, Jacksonville, West Coast of Florida (“WCFL”) and Orlando), South Carolina (1, Hilton Head), and Texas (3, Mid-Cities, North Dallas and Dallas) (each a “Market” or collectively the “Markets”).

All of the company-affiliated Businesses in the Markets in this analysis offer substantially the same products and services that a franchised Business will offer. However, as further discussed below, all of the company-affiliated Businesses and their Markets differ from the Business you will operate in your Territory in terms of population and size of the Market and some of the company-affiliated Businesses and their Markets differ from the Business you will operate in your Territory in terms of the level of management

oversight and advertising spend during the Measurement Period. For these reasons, we have divided the 7 Markets into 4 “Conforming Markets” (Jacksonville, Mid-Cities, North Dallas and Dallas) and 3 “Non-Conforming Markets” (WCFL, Orlando and Hilton Head) and present two tables for these Conforming Markets and Non-Conforming Markets.

Except as to the Hilton Head Market detailed below, the population and size of all of these Markets are significantly larger than the Territory that will be offered to you under this disclosure document. Specifically, the Jacksonville, Mid-Cities, North Dallas and Dallas Markets all operate primarily in a geographic area that is comprised of 3 Territories based on the size and demographics for Territories that we offer to franchisees under this disclosure document. The WCFL Market operates primarily in an area that is comprised of 6 Territories based on the size and demographics for Territories that we offer to franchisees under this disclosure document. The Orlando Market operates primarily in an area that is comprised of 3 Territories based on the size and demographics for Territories that we offer to franchisees under this disclosure document. The Hilton Head Market operates primarily in an area that is comprised of less than 1 Territory based on the size and demographics (approximately 20,000 households) for Territories that we offer to franchisees under this disclosure document. Collectively, the 7 Markets would include 22 Territories based on the population, size and demographics for Territories that we offer to franchisees under this disclosure document. Therefore, the Markets do not represent the population or size of the Territory that you will be offered for your franchised Business.

For these reasons, we have also included total sales both when measured as a whole for each Market and then also total sales when measured by the current territory size to show the Market sales based on the population or size of the Territory that will be purchased by the franchisees. However, with respect to costs, our information and experience reflects that there is no material difference in general costs as a percentage of sales in Tables 1 and 2 whether reflecting the actual total sales of each Market or the total sales of each Market when measured by the population or size of the Territory that will be purchased by the franchisees.

The 4 Conforming Markets in Table 1 were operated during the Measurement Period in a manner that is reflective of what we expect from franchised Territories in terms of, management (each Market had a company-affiliated general manager active in the Market) and advertising spend (each Market generally spent over approximately \$60,000 on local marketing for the Market an annual basis although you will be required spend only \$42,000 in your Territory under your Franchise Agreement). Accordingly, we have grouped these 4 Markets together in Table 1.

The 3 Non-Conforming Markets were not operated during the Measurement Period in a manner that is reflective of what we expect from franchised Territories either in terms of size, management (none of these Markets had a dedicated company-affiliated general manager living in the Market) and/or advertising spend (none of these Markets generally spent over \$24,000 on local marketing for the Market an annual basis). Accordingly, we have grouped these 3 Markets together in Table 2.

This analysis is provided despite the size of the 7 Markets to provide both expense information at various revenue levels as well as to demonstrate the various revenue types. Although the financial results of the 7 Markets reflect all revenue received by all Customers served by our company-affiliated Businesses during the Measurement Period, we excluded the population surrounding approximately 350 Customers when creating the 7 Markets and 22 Territories in this analysis. We excluded these approximately 350 Customers because they are located in rural areas that are not otherwise marketed to, served or supported by the Businesses, but they receive services from our Businesses because they are second homes, vacation homes or business locations for existing Customers that have primary residences in our Markets. These 350 total customers generated approximately \$82,250.65 in total sales during the 2024 fiscal year.

During the Measurement Period, none of these Markets paid any Royalty or Brand Fund Fees. The amounts depicted below show what each Market would have paid had they operated as a franchisee under this offering.

*Royalty Fees in Tables 1 and 2 are calculated based on the Gross Sales breaks described in Item 6 of this disclosure document.

Gross Sales are as defined in the Franchise Agreement, namely Gross Sales means all revenue from sales of the Business, including amounts received from the sale of products and services of every kind and nature, and whether from cash, check, credit card or credit transactions. The term Gross Sales does not include (i) bona fide refunds to customers that are specifically authorized by us (ii) sales taxes collected (iii) discounts, coupons, and promotions, or (iv) sales of prepaid cards or similar products.

**Table 1
Conforming Markets**

Market	Jacksonville	Mid-Cities	North Dallas	Dallas	All Company Conforming Affiliated Markets
<u>Revenue</u>					
Misting Systems	\$291,996	\$83,184	\$60,527	\$99,713	\$535,420
Christmas Lights	\$239,335	\$49,838	\$27,488	\$101,348	\$418,009
Convenience Billing	\$821,055	\$594,133	\$414,104	\$1,177,316	\$3,006,608
Misc. Svc	\$139,858	\$137,541	\$88,361	\$416,334	\$782,094
TOTAL SALES	\$1,492,244	\$864,696	\$590,480	\$1,794,711	\$4,742,131
TOTAL HOUSELANDS IN THE MARKET	192,286	187,776	202,205	188,429	770,696
TOTAL SALES WHEN MEASURED BY CURRENT TERRITORY SIZE (60,000 single-family households where such households meet an average annual household income of \$100,000)	\$466,326 (based on approximately 3.2 60,000 Territories)	\$278,934 (based on approximatel y 3.1 60,000 Territories)	\$173,671 based on approximatel y 3.4 60,000 Territories)	\$578,939 (based on approximatel y 3.1 60,000 Territories)	\$370,479 (based on approximately 12.8 60,000 Territories)
<u>Cost of Goods Sold</u>					
Misting System COGS	\$126,761	\$53,879	\$43,026	\$96,702	\$320,368

Christmas Lights COGS	\$5,258	\$701	\$700	\$3,693	\$10,352
Direct Labor COGS	\$216,935	\$111,504	\$26,705	\$299,125	\$654,269
Misc. COGS	\$127,699	\$51,777	\$36,503	\$109,331	\$325,310
Total COGS	\$476,653	\$217,861	\$106,934	\$508,851	\$1,310,299
GROSS PROFIT	\$1,015,591	\$646,835	\$483,546	\$1,285,860	\$3,431,832
<u>Expenses</u>					
Operating Expenses	\$222,771	\$150,784	\$114,614	\$226,583	\$714,752
Wages	\$110,845	\$74,437	\$119,689	\$163,876	\$468,847
Facilities Expenses	\$48,008	\$24,934	\$24,293	\$91,579	\$188,814
Selling Expense	\$49,689	\$17,488	\$10,827	\$38,027	\$116,030
TOTAL EXPENSES	\$431,314	\$267,643	\$269,423	\$520,065	\$1,488,444
Net Income	\$584,277	\$379,192	\$214,123	\$765,795	\$1,943,388
<u>Franchise Expenses</u>					
Royalty (7%- 10%)	\$104,457	\$60,529	\$53,143	\$125,630	\$343,759
Brand Fund (2%)	\$29,845	\$17,294	\$11,810	\$35,894	\$94,843
Total Franchise Expenses	\$134,302	\$77,823	\$64,953	\$161,524	\$438,601
Net Operating Profit (If Franchised)	\$449,975	\$301,370	\$149,170	\$604,271	\$1,504,787
Net Operating Profit Margin (If Franchised)	30.15%	34.85%	25.26%	33.67%	31.73%

**Table 2
Non-Conforming Markets**

Market	WCFL	Orlando	Hilton Head	All Company Conforming Affiliated Markets
<u>Revenue</u>				
Misting Systems	\$191,245	\$117,030	\$26,004	\$334,278
Christmas Lights	\$19,111	\$89,276	\$53,564	\$161,951
Convenience Billing	\$278,034	\$380,183	\$90,224	\$748,442
Misc Svc	\$15,731	\$17,352	\$3,756	\$36,839
TOTAL SALES	\$504,121	\$603,842	\$173,548	\$1,281,510
TOTAL HOUSELANDS IN THE MARKET	396,000	198,051	11,966	606,017
TOTAL SALES WHEN MEASURED BY CURRENT TERRITORY SIZE (60,000 single-family households where such households meet an average annual household income of \$100,000)	\$76,381 (based on approximately 6.6 60,000 Territories)	\$182,982 (based on approximately 3.3 60,000 Territories)	\$138,814 based on approximately .20 of 60,000 Territories)	\$126,882 (based on approximately 10.1 60,000 Territories)
<u>Cost of Goods Sold</u>				
Misting System COGS	\$85,182	\$46,216	\$3,301	\$134,699
Christmas Lights COGS	\$386	\$359	\$0	\$745
Direct Labor COGS	\$123,215	\$137,374	\$6,809	\$267,399
Misc. COGS	\$45,381	\$56,817	\$19,642	\$121,840
Total COGS	\$254,164	\$240,767	\$29,752	\$524,683
GROSS PROFIT	\$355,637	\$408,368	\$153,507	\$917,512
<u>Expenses</u>				
Operating Expenses	\$127,421	\$164,192	\$77,301	\$368,914
Wages	\$23,650	\$160,218	\$79,138	\$263,006
Facilities Expenses	\$18,236	\$14,371	\$8,924	\$41,530
Selling Expense	\$22,098	\$19,266	\$6,935	\$48,298
TOTAL EXPENSES	\$191,405	\$358,046	\$172,298	\$721,748

Net Income	\$164,233	\$50,322	(\$18,791)	\$195,763
Franchise Expenses				
Royalty (7%-10%)	\$48,784	\$51,931	\$18,326	\$119,041
Brand Fund (2%)	\$12,196	\$12,983	\$3,665	\$28,844
Total Franchise Expenses	\$60,980	\$64,913	\$21,991	\$147,885
Net Operating Profit (If Franchised)	\$103,252	(\$14,592)	(\$40,782)	\$47,879
Net Operating Profit Margin (If Franchised)	16.93%	-2.25%	-22.25%	3.74%

**Table 3
Customer Acquisition Center**

The below chart outlines the performance of our Customer Acquisition Center (CAC) with respect to the 7 affiliate owned and operated MosquitoNix and Holiday Lighting Businesses that were open and operating during the 2024 fiscal year ended December 31, 2024. The chart displays the total number of inquiries handled, video consultations completed, and Misting Systems, Holiday Lighting & Décor, QuickNix one-time fogging treatments, and PestNix one-time sale transactions during the 2024 fiscal year along with the sale closing percentages. The total revenue and average per job sales are also outlined in the table below. Please see Item 6 for your costs related to the CAC.

Monthly Sales	JAX	Orlando	WCF	HHI	Dallas	Mid Cities	North Dallas	System Wide
Annual Inquiry	303	160	170	57	209	141	105	1145
<i>Misting System</i> Estimate	122	44	66	12	60	35	33	372
<i>Misting System</i> Win	97	29	53	8	38	23	24	272
<i>Misting System</i> Closing %	80%	66%	80%	67%	63%	66%	73%	73%
<i>Misting System</i> Pre-Tax Avg.	3,282	3,681	3,535	4,688	3,307	3,585	3,025	\$3,586

<i>Christmas Light</i> Estimate	34	13	13	3	9	3	2	77
<i>Christmas Light</i> Win	25	12	6	3	6	3	2	57
<i>Christmas Light</i> Closing %	74%	92%	46%	100%	67%	100%	100%	74%
<i>Christmas Light</i> Avg.	1,327	1,429	3,500	2,833	1,747	2,618	1,343	\$1,779
<i>Christmas Light</i> Median	1,500	1,470	2,000	1,881	1,200	1,533	1,155	\$1,500
<i>Christmas Light</i> Re-Sale Revenue	206,154	67,839	5,375	46,563	90,779	41,984	57,839	\$516,533
<i>Christmas Light</i> Pre-Tax Revenue	33,180	\$17,745.00	21,000	8,500	10,483	7,854	2,687	\$101,449

<i>QuickNix</i> Estimate	85	92	57	16	132	92	56	530
<i>QuickNix</i> Win	75	27	50	3	101	53	41	350
<i>QuickNix</i> Closing %	88%	29%	88%	19%	77%	58%	73%	62%
<i>QuickNix</i> Avg.	65	46	53	79	99	74	64	\$76
<i>Quicknix</i> Median	79	79	70	79	99	79	79	\$79
<i>QuickNix</i> Revenue	4,843	1,250	2,650	237	9,971	6,775	3,586	\$29,312
<i>Quicknix Resale Revenue</i>	23,891	9,493	1,517	1,015	104,405	15,183	5,201	\$160,705

<i>PestNix</i> Estimate	122	44	66	12	60	35	33	372
<i>PestNix</i> Win	62	34	42	7	50	25	20	240
<i>PestNix</i> Closing %	50.82%	77.27%	63.64%	58.33%	83.33%	71.43%	60.61%	66%
<i>PestNix</i> Avg.	92	14	47	156	188	115	155	\$37
<i>PestNix</i> Median	20	20	50	20	20	20	20	\$20
<i>PestNix</i> Revenue	2206	212	1268	468	2822	808	1037	\$8,821
<i>PestNix</i> Resell	12,355	2,348	400	340	9,968	2,715	2,630	\$30,756

*Our Customer Acquisition closing percentage was 69% during the 2024 fiscal year.

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

Some outlets have earned this much. Your individual results may vary. There is no assurance you'll earn as much.

Except as noted above, 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 our management by contacting Mike O'Neal, at 8940 Western Way, Suite #2, Jacksonville, Florida 32256, 855-808-BUGS (2847), the Federal Trade Commission, and the appropriate state regulatory agency.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

**TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2022 TO 2024⁽¹⁾**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised ⁽²⁾	2022	0	0	0
	2023	0	0	0
	2024	0	8	+8
Company- Owned	2022	7	7	0
	2023	7	7	0

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
	2024	7	7	0
Total Outlets	2022	7	7	0
	2023	7	7	0
	2024	7	15	+8

Notes:

1. We began offering Business franchises in December 2023, but our predecessors and past affiliates offered MosquitoNix Business franchises off and on since 2008. Neither we nor our predecessors or affiliates have ever offered franchises for MosquitoNix Elves Businesses before the date of this disclosure document.
2. As noted in Item 1, we are offering Refranchised Businesses in portions of the states of Florida, South Carolina and Texas. The company-owned Businesses described above operate in Territories that are substantially larger than the size offered to new franchises under this disclosure document.
3. Our fiscal year ends December 31st each year.

TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2022 to 2024

State	Year	Number of Transfers
Totals	2022	0
	2023	0
	2024	0

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Florida	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Georgia	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Missouri	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
North Carolina	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	3	0	0	0	0	3
South Carolina	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	3	0	0	0	2	1
Tennessee	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Totals	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	10	0	0	0	2	8

**TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2022 to 2024⁽¹⁾**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Florida	2022	3	3	0	0	0	3
	2023	3	3	0	0	0	3
	2024	3	0	0	0	0	3
South Carolina	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Texas	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
Total	2022	7	0	0	0	0	7
	2023	7	0	0	0	0	7
	2024	7	0	0	0	0	7

Notes:

1. All company-owned Businesses are operated by our affiliates and offer similar products and services to the Business you will operate under your Franchise Agreement, but operate in substantially larger geographic area.
2. Our fiscal year ends December 31st each year.

**TABLE NO. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2024, FOR 2025**

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	1	1	0
Florida	1	1	0
New York	3	3	0
North Carolina	5	2	0
Pennsylvania	1	1	0
South Carolina	1	1	0
Tennessee	7	4	0
Totals	19	13	0

List of Current Franchisees

The name, business address, and business telephone number of each current franchisee as of December 31, 2024 is listed on Exhibit C.

List of Former Franchisees

The name, city and state, and current business telephone number (or, if unknown, the last known home telephone number) of every franchisee (if any) who has had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement or who has left the system during the most recently completed fiscal year, or has not communicated with us within 10 weeks of the date of this disclosure document is listed on Exhibit D.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Purchase of Previously Owned Outlet

If we offer any company-owned Business to you for purchase as a Refranchised Business as described in Item 1, specific information about the Refranchised Business will be provided to you in a separate supplement to this disclosure document.

Confidentiality Clauses

Certain former franchisees of our predecessor FEMO GFS have signed confidentiality clauses during the last three years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the MosquitoNix franchise system. 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.

Trademark-Specific Franchisee Organizations

As of the date of this disclosure document, there are no franchisee organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit A to this disclosure document is:

1. Our interim, unaudited financial statements for the three-month period ended March 31, 2025.
2. Our audited balance sheet as of December 31, 2024, and the related statements of earnings and members' equity and cash flows for the period January 1, 2024 through December 31, 2024, and the related notes to the financial statements.
3. Our audited balance sheet as of December 31, 2023, and the related statements of earnings and members' equity and cash flows for the period June 26, 2023 (inception) through December 31, 2023, and the related notes to the financial statements.

Please note that we have only been in existence since June 2023, and therefore do not have a balance sheet for two previous fiscal year-ends before this disclosure document issuance date or statements of operations, stockholders equity, and cash flows for three previous fiscal years.

Our fiscal year end is December 31.

ITEM 22
CONTRACTS

Attached to this disclosure document are the following contracts and their attachments:

Exhibit B	Franchise Agreement (with attachments)
Exhibit F	Form of Refranchising Asset Purchase Agreement
Exhibit G	Form of General Release

ITEM 23
RECEIPTS

Attached as the last 2 pages of this disclosure document are 2 Receipts. When you receive this disclosure document, you must sign both Receipts and return 1 to us, retaining the other for your records.

EXHIBIT A
FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

MOSQUITONIX FRANCHISE, LLC

UNAUDITED BALANCE SHEET FOR THE THREE MONTHS ENDED MARCH 31, 2025

Assets

Cash	161,723
Accounts receivable - trade, net	3,951
Deferred franchise fees	905,207
Prepaid and other assets	32,055

Total assets	\$	1,102,936
--------------	----	-----------

Liabilities and Members' Equity (Deficit)

Accounts payable - related party	223,312
Accounts payable - trade	92,435
Accrued liabilities	51,875
Deferred franchise revenue	1,242,308
Deferred training revenue	21,000

Total liabilities	1,630,930
-------------------	-----------

Members' equity (deficit)	(527,994)
---------------------------	-----------

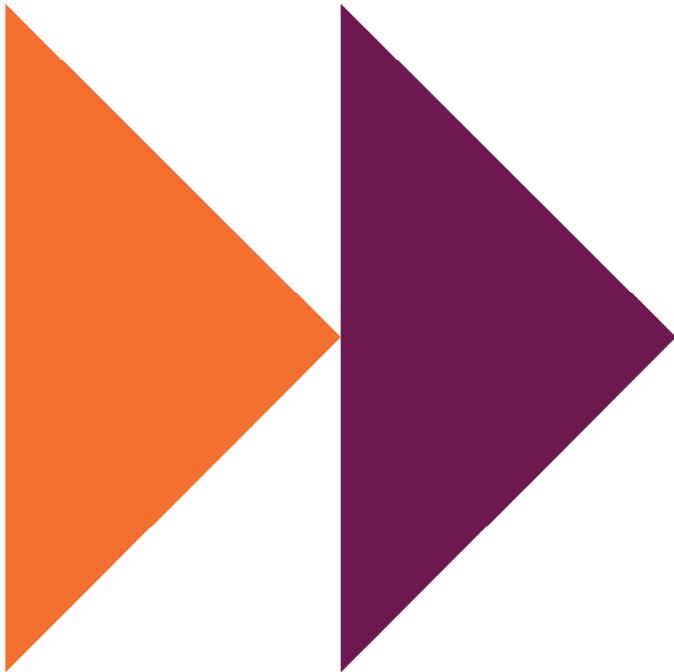
Total liabilities and members' equity (deficit)	\$	1,102,936
---	----	-----------

MOSQUITONIX FRANCHISE, LLC

UNAUDITED STATEMENT OF OPERATIONS AND MEMBERS' EQUITY (DEFICIT) FOR THE THREE MONTHS ENDED MARCH 31, 2025

Revenues	\$	360,490
Operating expenses		618,407
Net loss		(\$257,917)
Members' equity (deficit) - January 31, 2025		(\$470,077)
Contributions from members		\$200,000
Members' equity (deficit) - March 31, 2025		(\$527,994)

THIS PAGE LEFT BLANK INTENTIONALLY



**MOSQUITONIX
FRANCHISE, LLC**

FINANCIAL STATEMENTS

DECEMBER 31, 2024
(With Independent Auditor's Report Thereon)

MOSQUITONIX FRANCHISE, LLC

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	3
Statement of Earnings and Members' Equity (Deficit)	4
Statement of Cash Flows	5
Notes to Financial Statements	6

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members
MosquitoNix Franchise, LLC

Opinion

We have audited the financial statements of MosquitoNix Franchise, LLC, which comprise the balance sheet as of December 31, 2024, and the related statements of earnings and members' equity (deficit) and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of MosquitoNix Franchise, LLC as of December 31, 2024, and the results of its operations and its cash flows for the year 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 (GAAS). 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 MosquitoNix Franchise, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 MosquitoNix Franchise, LLC's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 GAAS, 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 MosquitoNix Franchise, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MosquitoNix Franchise, LLC'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.

Doeren Mayhew Assurance

Troy, Michigan
March 17, 2025

MOSQUITONIX FRANCHISE, LLC

BALANCE SHEET DECEMBER 31, 2024

Assets

Cash	\$	215,113
Accounts receivable - trade, net		2,884
Accounts receivable - related party (note 2)		28,159
Deferred franchise fees (note 3)		905,207
Prepaid expenses and other		<u>36,432</u>
Total assets	\$	<u><u>1,187,795</u></u>

Liabilities and Members' Deficit

Liabilities

Accounts payable - related party (note 2)	\$	140,877
Accounts payable - trade		168,887
Accrued liabilities		28,800
Customer deposit		49,000
Deferred franchise revenue (note 3)		1,242,308
Deferred training revenue (note 3)		<u>28,000</u>
Total liabilities		1,657,872
Members' deficit		<u>(470,077)</u>
Total liabilities and members' deficit	\$	<u><u>1,187,795</u></u>

See accompanying notes to financial statements

MOSQUITONIX FRANCHISE, LLC

STATEMENT OF EARNINGS AND MEMBERS' EQUITY (DEFICIT) YEAR ENDED DECEMBER 31, 2024

Revenues	\$ 157,574
Operating expenses	<u>1,404,261</u>
Net loss	(1,246,687)
Members' equity - January 1, 2024	102,582
Accounts payable from member converted to equity	530,925
Contributions from members	<u>143,103</u>
Members' deficit - December 31, 2024	<u><u>\$ (470,077)</u></u>

See accompanying notes to financial statements

MOSQUITONIX FRANCHISE, LLC

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2024

Cash flows from operating activities	
Net loss	\$ (1,246,687)
Adjustments	
Decrease/(increase) in assets	
Accounts receivable - trade, net	(2,884)
Accounts receivable - related party	(28,159)
Deferred franchise fees	(905,207)
Prepaid expenses and other	(33,252)
Increase/(decrease) in liabilities	
Accounts payable - related party	671,204
Accounts payable - trade	168,887
Accrued liabilities	28,800
Customer deposit	49,000
Deferred franchise revenue	1,242,308
Deferred training revenue	28,000
	<hr/>
Total adjustments	1,218,697
	<hr/>
Net cash used in operating activities	(27,990)
Cash flows from financing activities	
Contributions from members	143,103
	<hr/>
Net increase in cash	115,113
Cash - January 1, 2024	100,000
	<hr/>
Cash - December 31, 2024	<u>\$ 215,113</u>
 <u>Schedule of Noncash Financing Activities</u>	
Conversion of accounts payable - related party to members' equity	<u>\$ 530,925</u>

See accompanying notes to financial statements

MOSQUITONIX FRANCHISE, LLC

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 1 – Nature of Business and Significant Accounting Policies

Nature of Business

MosquitoNix Franchise, LLC (the “Company”) was formed in June 2023. The Company’s operations are principally related to the sale and support of franchises for insect repellent systems and other pest control services under the “MosquitoNix” name in the United States of America. The Company was formed as a multiple member LLC with a perpetual existence. The liability of the members of the Company is limited to the members’ total capital contributions.

Cash

The Company places its temporary cash investments with high credit quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit.

Customer Deposit

Customer deposit consists of a payment received from a franchisee in advance of the franchise agreement being executed in January 2025.

Revenue Recognition

The Company earns revenue through franchise fees, training fees, and ongoing royalty and advertisement fees under the Company’s franchise agreements.

Initial franchise fee revenue is recognized over the life of the franchise agreements, which is generally 10 years, as the fee is for the right to use the Company’s intellectual property over the term of the agreement. Initial franchise fee payments received by the Company that have not yet been recognized as revenue are recorded as deferred franchise revenue. Expenses incurred related to the franchise agreements, consisting mostly of broker fees, are deferred and recognized as expense over the life of the associated franchise agreement. See Note 3 for further disclosures related to deferred franchise revenue and deferred franchise fees.

Training fees are recognized as revenue at a point in time upon completion of training and totaled \$56,000 for the year ended December 31, 2024.

The Company also receives call center fee income from franchisees and from the O’Neal Family Trust, a member of the Company, for the non-franchise MosquitoNix locations. The call center fees are based on a percentage of sales and are recorded as revenue at the point in time the sales occur. Call center fee income totaled \$34,560 for the year ended December 31, 2024.

Revenue recognized at a point in time and over time is as follows for the year ended December 31, 2024:

Products and services transferred at a point in time	\$ 106,882
Services transferred over time	<u>50,692</u>
Total revenues earned	<u><u>\$ 157,574</u></u>

MOSQUITONIX FRANCHISE, LLC

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Income Taxes

The Company is organized as a limited liability company in accordance with Delaware law. In accordance with the provisions of the Internal Revenue Code, a limited liability company is not subject to Federal income taxes and its income is included in its member's income tax returns. Therefore, no provision has been made in the accompanying financial statements for Federal income taxes or deferred income taxes.

The Company's income tax filings are subject to audit by various taxing authorities. The open audit period is 2023 - 2024.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including March 17, 2025, which is the date the financial statements were available to be issued.

Note 2 – Related Party Transactions

The Company has a service agreement with Franworth, LLC, a member of the Company, related to management and accounting services. The agreement requires fees of \$40,000 per month through June 26, 2028, with automatic annual renewal periods, unless terminated by either party. Management fees of \$480,000 were incurred for the year ended December 31, 2024. At December 31, 2024, the Company had accounts payable due to Franworth, LLC of \$93,576, relating to expenses paid on the Company's behalf. During the year ended December 31, 2024, Franworth, LLC invoiced expenses paid on the Company's behalf totaling \$185,736. These expenses include payroll, taxes, benefits, and other operating expenses.

At December 31, 2024, the Company had accounts payable due to the O'Neal Family Trust, a member of the Company, of \$47,301, relating to expenses paid on the Company's behalf. During the year ended December 31, 2024, the O'Neal Family Trust invoiced expenses paid on the Company's behalf totaling \$104,139. These expenses include payroll, taxes, benefits, and other operating expenses. At December 31, 2024, the Company had accounts receivable of \$28,159 due from the O'Neal Family Trust, relating to the call center fees discussed in the "Revenue Recognition" portion of Note 1.

The Company sub-leases a portion of office space from the O'Neal Family Trust. During the year ended December 31, 2024, monthly lease payments were \$2,700. Rent expense under this lease for the year ended December 31, 2024 totaled \$32,400. There is no written agreement for this arrangement and either party can terminate the lease at any time.

MOSQUITONIX FRANCHISE, LLC

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 3 – Deferred Franchise Fees and Revenue

Deferred franchise fees activity for the year ended December 31, 2024 can be summarized as follows:

Beginning	\$	-
Franchise development costs		942,800
Less: expense recognized		<u>(37,593)</u>
Ending	\$	<u>905,207</u>

Deferred franchise revenue activity for the year ended December 31, 2024 can be summarized as follows:

Beginning	\$	-
Franchise fees		1,293,000
Less: franchise fee revenue recognized		<u>(50,692)</u>
Ending	\$	<u>1,242,308</u>

Deferred franchise fees and revenue expected to be recognized in the future can be summarized as follows:

	<u>Fees</u>	<u>Revenue</u>
2025	\$ 94,280	\$ 129,300
2026	94,280	129,300
2027	94,280	129,300
2028	94,280	129,300
2029	94,280	129,300
Thereafter	<u>433,807</u>	<u>595,808</u>
Total	<u>\$ 905,207</u>	<u>\$ 1,242,308</u>

Deferred training revenue will be recognized as revenue once the training classes have been held. The balance of deferred training revenue as of January 1, 2024 was \$-0-.

MOSQUITONIX FRANCHISE, LLC

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

Note 4 – Operating Agreement

The Company's operating agreement includes three types of membership units: Class A, Class B, and Class C units. Class A and B units have full voting rights and Class C units are nonvoting.

Under the Company's Equity Incentive Plan, the Company may award its employees, officers, and directors up to 2,000 Class C units. The Plan is administered by the Company's Board of Directors.

As of December 31, 2024, the Company had issued 10,000 Class A units and no Class B or C units.

Note 5 – Franchise Information

The Company entered into franchise agreements for single franchise units that totaled 8 units for the year ended December 31, 2024.

The following is a summary of the franchise activity for franchises for the year ended December 31, 2024.

Franchises open at beginning of period	-
Franchises opened during the period	8
Franchises closed during the period	<u>-</u>
Franchises open at end of period	<u><u>8</u></u>

Note 6 – Uncertainty

The accompanying financial statements have been prepared assuming that the Company will continue operations, which contemplates the realization of assets and liabilities in the normal course of business. The Company incurred a net loss of \$1,246,687 for the year ended December 31, 2024. The Company also had members' deficit of \$470,077 as of December 31, 2024.

At December 31, 2024, Franworth, LLC and the O'Neal Family Trust were members of the Company. The members have historically provided the necessary working capital to meet the Company's short-term obligations and the necessary capital to offset the net operating losses incurred by the Company. The members have pledged to continue their financial support, and management believes that these actions will enable the Company to continue its operations through March 17, 2026.



**MOSQUITONIX
FRANCHISE, LLC**

FINANCIAL STATEMENTS

DECEMBER 31, 2023
(With Independent Auditor's Report Thereon)

MOSQUITONIX FRANCHISE, LLC

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	3
Statement of Earnings and Members' Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members
MosquitoNix Franchise, LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MosquitoNix Franchise, LLC, which comprise the balance sheet as of December 31, 2023, and the related statements of earnings and members' equity and cash flows for the period June 26, 2023 (inception) through December 31, 2023, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of MosquitoNix Franchise, LLC as of December 31, 2023, and the results of its operations and its cash flows for the period June 26, 2023 (inception) through December 31, 2023, 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 (GAAS). 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 MosquitoNix Franchise, LLC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 MosquitoNix Franchise, LLC's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 GAAS, 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 MosquitoNix Franchise, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MosquitoNix Franchise, LLC'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.



Troy, Michigan
March 8, 2024

MOSQUITONIX FRANCHISE, LLC

BALANCE SHEET DECEMBER 31, 2023

Assets

Cash	\$	100,000
Prepaid expenses		<u>3,180</u>
Total assets	\$	<u><u>103,180</u></u>

Liabilities and Members' Equity

Accounts payable - related party (note 2)	\$	<u>598</u>
Total liabilities		598
Members' equity		<u>102,582</u>
Total liabilities and members' equity	\$	<u><u>103,180</u></u>

See accompanying notes to financial statements

MOSQUITONIX FRANCHISE, LLC

STATEMENT OF EARNINGS AND MEMBERS' EQUITY PERIOD JUNE 26, 2023 (INCEPTION) THROUGH DECEMBER 31, 2023

Revenues	\$	-
Operating expenses		<u>389,596</u>
Net loss		(389,596)
Members' equity - June 26, 2023		-
Accounts payable from member converted to equity (note 2)		136,352
Contributions from member		<u>355,826</u>
Members' equity - December 31, 2023	\$	<u><u>102,582</u></u>

See accompanying notes to financial statements

MOSQUITONIX FRANCHISE, LLC

STATEMENT OF CASH FLOWS PERIOD JUNE 26, 2023 (INCEPTION) THROUGH DECEMBER 31, 2023

Cash flows from operating activities	
Net loss	\$ (389,596)
Adjustments	
Decrease/(increase) in assets	
Prepaid expenses	(3,180)
Increase/(decrease) in liabilities	
Accounts payable - related party	<u>136,950</u>
Total adjustments	<u>133,770</u>
Net cash used in operating activities	(255,826)
Cash flows from financing activities	
Contributions from members	<u>355,826</u>
Net increase in cash	100,000
Cash - June 26, 2023	<u>-</u>
Cash - December 31, 2023	<u>\$ 100,000</u>

Schedule of Noncash Financing Activities

Conversion of accounts payable - related party to members' equity	<u>\$ 136,352</u>
---	-------------------

See accompanying notes to financial statements

MOSQUITONIX FRANCHISE, LLC

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 1 – Nature of Business and Significant Accounting Policies

Nature of Business

MosquitoNix Franchise, LLC (the “Company”) was formed on June 26, 2023. The Company’s operations are principally related to the sale and support of franchises for insect repellent systems and other pest control services under the “MosquitoNix” name in the United States of America. The Company has not entered into any franchise agreements to date. The Company was formed as a multiple member limited liability company with a perpetual existence. The liability of the members of the Company is limited to the members’ total capital contributions. Operating expenses consist primarily of outside service and marketing costs and are charged to expense as incurred.

Cash

The Company places its temporary cash investments with a high credit quality financial institution. As of December 31, 2023, no amounts were in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit.

Income Taxes

The Company is organized as a limited liability company in accordance with Delaware law. In accordance with the provisions of the Internal Revenue Code, a limited liability company is not subject to Federal income taxes and its income is included in its member’s income tax returns. Therefore, no provision has been made in the accompanying financial statements for Federal income taxes or deferred income taxes.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including March 8, 2024, which is the date the financial statements were available to be issued.

Note 2 – Related Party Transactions

The Company had accounts payable of \$598 at December 31, 2023 due to Franworth, LLC, for expenses paid on the Company’s behalf. The Company has a service agreement with Franworth, LLC related to management and accounting services, requiring fees of \$40,000 per month. Management fees of \$240,000 were incurred for the period June 26, 2023 (inception) through December 31, 2023.

During the period June 26, 2023 (inception) through December 31, 2023, a member contributed \$136,352 to equity by converting the outstanding balance of the accounts payable owed to them to members’ equity.

MOSQUITONIX FRANCHISE, LLC

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

Note 3 – Operating Agreement

The Company's operating agreement includes three types of membership units: Class A, Class B, and Class C units. Class A and B units have full voting rights and Class C units are nonvoting.

Under the Company's Equity Incentive Plan, the Company may award its employees, officers, and directors up to 2,000 Class C units. The Plan is administered by the Company's Board of Directors.

As of December 31, 2023, the Company had issued 10,000 of Class A units and no Class B or C units.

EXHIBIT B
FRANCHISE AGREEMENT



MOSQUITONIX FRANCHISE, LLC

FRANCHISE AGREEMENT

Form dated April 30, 2025
FDD dated April 30, 2025

**MOSQUITONIX FRANCHISE, LLC
FRANCHISE AGREEMENT**

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
1. DEFINITIONS	1
2. GRANT OF LICENSE	6
<u>2.1 Grant of License.....</u>	6
<u>2.2 Reserved Rights</u>	6
3. TERM AND RENEWAL	7
<u>3.1 Term.....</u>	7
<u>3.2 Renewal</u>	7
4. PAYMENTS AND REPORTING	7
<u>4.1 Initial Franchise Fee.....</u>	7
<u>4.2 Royalty Fee.....</u>	8
<u>4.3 National Advertising Fee; Customer Acquisition Commission; Other Fees and Charges ..</u>	8
<u>4.4 Interest</u>	9
<u>4.5 Payment Procedures.....</u>	9
<u>4.6 Application of Payments.....</u>	9
<u>4.7 Adjustment for Taxes.....</u>	9
<u>4.8 Reports.....</u>	9
<u>4.9 Authorization to Release Information.....</u>	10
5. OUR OBLIGATIONS	10
<u>5.1. Training.....</u>	10
<u>5.2 Brand Standards Manuals</u>	10
<u>5.3 Opening Assistance.....</u>	10
<u>5.4 Consultation.....</u>	10
<u>5.5 Software.....</u>	10
<u>5.6 Products, Equipment and Supplies</u>	11
<u>5.7 Advertising.....</u>	11
<u>5.8 Warranty Programs</u>	11
<u>5.9 Data</u>	11
<u>5.10 Delegation.....</u>	11
6. YOUR COVENANTS AND OBLIGATIONS.....	11
<u>6.1 Commencement and Conduct of Operations;Initial and Annual Purchase Requirements</u>	11
<u>6.2 Storage Facilities.....</u>	11
<u>6.3 Your Owners.....</u>	11
<u>6.4 Your Management</u>	12
<u>6.5 Covenants of Owners and Management</u>	12
<u>6.6 Your Employees</u>	12
<u>6.7 Training.....</u>	12
<u>6.8 Decor and Signage.....</u>	13
<u>6.9 Identification as an Independent Franchisee.....</u>	13
<u>6.10 Credit Cards</u>	13
<u>6.11 National Accounts.....</u>	13
<u>6.12 Group Purchasing Programs</u>	14
<u>6.13 Warranties And Guarantees</u>	14
<u>6.14 Products and Services Offered.....</u>	14
<u>6.15 Designated and Approved Products And Suppliers</u>	14
<u>6.16 Technology and Information Systems.....</u>	15
<u>6.17 System Standards and Modifications.....</u>	15

6.18	<u>Internet; Intranet</u>	16
6.19	<u>Conduct of Operations</u>	16
6.20	<u>Vehicle Standards</u>	17
6.21	<u>Inspections and Audits</u>	17
6.22	<u>Pricing</u>	17
6.23	<u>Indemnification</u>	17
7.	<u>MAXIMIZE VOLUME</u>	19
8.	<u>ADVERTISING AND PROMOTION</u>	19
8.1	<u>Regional Advertising Cooperatives</u>	19
8.2	<u>Local Advertising Cooperatives</u>	19
8.3	<u>Local Marketing Requirement; Advertising Approvals</u>	19
8.4	<u>Market Entry Campaign</u>	20
8.5	<u>Promotional Programs</u>	20
8.6	<u>National Advertising Fund</u>	20
9.	<u>INSURANCE</u>	21
9.1	<u>Insurance Coverage</u>	21
9.3	<u>Deductibles; Waiver Of Subrogation</u>	21
9.4	<u>Additional Insured Designation</u>	21
9.5	<u>Certificates Of Insurance</u>	21
9.6	<u>Remedies</u>	22
9.7	<u>No Limitation Of Other Obligations</u>	22
10.	<u>CONFIDENTIAL INFORMATION</u>	22
10.1	<u>Protection of Confidential Information</u>	22
10.2	<u>Our Rights in the MosquitoNix System</u>	22
11.	<u>EXCLUSIVE RELATIONSHIP</u>	23
12.	<u>PROPRIETARY MARKS</u>	23
12.1	<u>Restrictions on Use of Proprietary Marks</u>	23
12.2	<u>Fictitious Name Filings</u>	24
12.3	<u>No Contest of Ownership</u>	24
12.4	<u>Notice of Unauthorized Use</u>	24
12.5	<u>Substitution of Proprietary Marks</u>	24
13.	<u>TRANSFER</u>	24
13.1	<u>Transfer by Us</u>	24
13.2	<u>Transfer by You</u>	24
13.3	<u>Transfer by Minority Owners</u>	24
13.4	<u>Transfers by You and Your Principal Owners</u>	25
13.5	<u>Transfer for Convenience of Ownership</u>	26
13.6	<u>Our Right of First Refusal</u>	26
13.7	<u>Transfer on Death or Incapacity</u>	27
13.8	<u>Securities Offerings</u>	27
14.	<u>DEFAULT AND TERMINATION</u>	28
14.1	<u>Termination by Us</u>	28
14.2	<u>Termination Upon Notice</u>	28
14.3	<u>Termination Following Cure Period</u>	29
14.4	<u>Additional Remedies</u>	29
15.	<u>YOUR OBLIGATIONS AFTER TERMINATION OR EXPIRATION</u>	29
15.1	<u>Post Term Obligations</u>	29
15.2	<u>Compliance With Post-Term Obligations</u>	31
15.3	<u>Non-Competition Obligations</u>	31
15.4	<u>Liquidated Damages</u>	31
16.	<u>YOUR ACKNOWLEDGMENTS AND AGREEMENTS</u>	32
16.2	<u>Disclosure/Reliance</u>	32
16.3	<u>Our Other Business Interests</u>	32

	16.4	<u>Anti-Terrorist Activities</u>	32
17.		<u>DISPUTE RESOLUTION</u>	33
	17.1	<u>MEDIATION</u>	33
	17.2	<u>JURISDICTION AND VENUE</u>	33
	17.3	<u>JURY TRIAL WAIVER</u>	33
	17.4	<u>Governing Law</u>	33
	17.5	<u>Remedies</u>	34
	17.6	<u>CONSEQUENTIAL AND PUNITIVE DAMAGES; LOST PROFITS</u>	34
	17.7	<u>LIMITATIONS OF CLAIMS</u>	34
	17.8	<u>Enforcement Costs</u>	34
18.		<u>GENERAL PROVISIONS</u>	34
	18.1	<u>Independent Contractor</u>	34
	18.2	<u>No Guaranties</u>	34
	18.3	<u>No Waiver</u>	35
	18.4	<u>Notice</u>	35
	18.5	<u>Entire Agreement</u>	35
	18.6	<u>Severability</u>	35
	18.7	<u>Successors</u>	35
	18.8	<u>Survival</u>	35
	18.9	<u>Third Party Beneficiary</u>	35
	18.10	<u>Construction</u>	36
	18.11	<u>Authority of the Parties and their Representatives</u>	36
	18.12	<u>Counterpart Execution</u>	36

EXHIBITS

- EXHIBIT A INITIAL FRANCHISE FEE; TERRITORY; AUTHORIZED STORAGE FACILITY LOCATION; OPENING DATE
- EXHIBIT B OWNERSHIP AND MANAGEMENT SCHEDULE
- EXHIBIT C ELECTRONIC FUNDS TRANSFER FORM
- EXHIBIT D-1 GUARANTY OF PAYMENT AND PERFORMANCE
- EXHIBIT D-2 MINORITY OWNER SIGNATURE PAGE
- EXHIBIT D-3 OFFICER, DIRECTOR AND OPERATIONS MANAGER SIGNATURE PAGE

STATE SPECIFIC AMENDMENTS

MULTI-UNIT ADDENDUM TO MOSQUITONIX FRANCHISE LLC FRANCHISE AGREEMENT

**MOSQUITONIX FRANCHISE, LLC
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (“Agreement”) is entered into effective this ___ day of _____, _____ (the “Effective Date”) by and between MosquitoNix Franchise, LLC, a Delaware limited liability company d/b/a “MosquitoNix” and “MosquitoNix Elves” (“we,” “us,” or “our”), and _____, a _____ **[corporation, limited liability company, partnership]** (“you,” “your,” or “Franchisee”). Initially capitalized terms are defined in Section 1 of this Agreement.

RECITALS

We have the right to use and license the use of the System and the related Proprietary Marks for the establishment and operation of (1) MosquitoNix businesses that sell, install, apply and service MosquitoNix integrated residential and commercial mosquito and other indoor and outdoor pest management systems and related fogging, spraying, baiting and trapping applications (a “MosquitoNix Business”) and (2) MosquitoNix Elves businesses that sell, install and service holiday lighting displays and decorations and related products and services (a “MosquitoNix Elves Business”).

You wish to obtain a license to operate both a MosquitoNix Business and a MosquitoNix Elves Business in the Territory (collectively, the “Business”).

We are willing to grant you a license to establish and operate a Business in the Territory upon the terms and conditions set forth in this Agreement, including your acknowledgments and representations.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, you and we agree as follows:

1. DEFINITIONS. The capitalized words and terms used in this Agreement have the meanings listed below. Other terms used in this Agreement are defined and construed in the context in which they occur.

Affiliate(s). Any entity controlling, controlled by, or under common control with the named person or entity.

Agreement. This Agreement, which includes the Recitals and all Exhibits hereto, as amended from time to time.

Agreement Year. Each 12-month period during the term of this Agreement, beginning on the first day of the month following the Opening Date and continuing until the expiration or termination of this Agreement. A partial Agreement Year between the end of the last full Agreement Year and the termination or expiration of this Agreement will also constitute a separate Agreement Year.

Brand Development Fund. The fee described in Section 4.3(a) of this Agreement.

Brand Development Fee. The fund described in Section 8.6 of this Agreement.

Brand Fund Activities. The marketing activities we conduct using the Brand Development Fee and, if created, the Brand Development Fund, including without limitation (i) the creation, production, administration and maintenance of Marketing Materials and our website; (ii) the purchase of advertising space in magazines, newspapers, and similar printed media or on the Internet or other electronic medium; (iii) the purchase of advertising on radio, television, the Internet, and other electronic media; (iv) advertising, marketing, promotional, public relations, and sales campaigns, programs, seminars and other activities designed to increase sales or public awareness of the System; (v) market research; (vi) the retention of advertising agencies, marketing consultants, public relations firms, and other professionals to

assist in the development and implementation of any of the foregoing; and (vii) the advertising, marketing, promotional and sales activities of us and our Affiliates.

Brand Standards Manuals. The document or documents in printed, electronic or other form, as supplemented or revised by us from time to time, which prescribe various instructions, directives, requirements and standards of the System, a copy of which is supplied by us to all Franchisees. Any update, letter, bulletin or other item in writing delivered by us to you containing instructions, directives, requirements or standards pertaining to the System will be deemed part of the Brand Standards Manuals, regardless of whether consistent with the format of the Brand Standards Manuals or expressly designated for inclusion in the Brand Standards Manuals. We may, from time to time, change, modify or enhance the Brand Standards Manuals and you must comply promptly with any new or changed standard of the System as reflected in the Brand Standards Manuals. You must ensure that your copy of the Brand Standards Manuals is kept secure and up to date at all times. In the event of any dispute as to the contents of the Brand Standards Manuals, the master copy maintained by us at our home office will be controlling.

Business. A business using the System that (1) sells, installs, applies and services MosquitoNix integrated residential and commercial mosquito and other indoor and outdoor pest management systems and related fogging, spraying, baiting and trapping applications under the MosquitoNix trademark and other Proprietary Marks and (2) sells, installs and services holiday lighting displays and decorations under the MosquitoNix Elves trademark and other Proprietary Marks. In all cases, you must offer and sell all mosquito control and pest control products and services and all holiday lighting display and decoration products and services offered under the System from time to time. In no case may you offer and sell any termite control services under the MosquitoNix trademark and other Proprietary Marks or otherwise.

Business Week. For purposes of this Agreement, a Business Week is Monday through the following Sunday.

Competitive Business. Any business, other than the Business authorized under this Agreement, which offers, sells, installs, applies or services residential or commercial mosquito or other indoor and/or outdoor pest control products or services and/or offers, sells, installs and/or services holiday lighting displays and decorations.

Confidential Information. Our confidential and proprietary information relating to the development and operation of the Business and the System including, without limitation, operational standards, specifications, systems and procedures; sales and marketing techniques and advertising programs; research, development and test programs; information regarding National Account Customers; and the contents of the Brand Standards Manuals.

Controlling Interest. The direct or indirect power to direct the management and policies of a person or entity, including those relating to the payment of financial obligations, whether through the ownership of voting securities or interests, by contract, or otherwise, each as reasonably determined by us.

Crisis Management Event. Any event that occurs at or otherwise involves the Business or that occurs generally at a local, regional, national or even global scale, which has or may cause harm or injury to customers or employees, such as contagious diseases, natural disasters, terrorist acts, shootings or other acts of violence, food borne illnesses or any other similar circumstance which may materially and adversely affect the System or the goodwill symbolized by the Proprietary Marks.

Customer(s). A person who enters into an installation or service agreement for a MosquitoNix pest management system or related products or services and/or a holiday lighting display and decoration service with you or with us or our Affiliates or one of our other franchisees.

Customer Acquisition Commission. The commission set forth in Section 4.3 that you pay our customer acquisition center to provide a video consultation to your qualified customer prospects.

Customer Information. Any information that: (i) can be used (alone or when used in combination with other information within your control) to identify, locate or contact an individual; or (ii) pertains in any way to an identified or identifiable individual. Customer Information can be in any media or format, including computerized or electronic records as well as paper-based files.

Effective Transfer Notice Date. The date on which we will have actually received each and all of the materials and information required as a part of the Notice of Transfer and payment of the transfer fee.

Existing Mosquito Control or Holiday Lighting Customer. Each person listed on Exhibit A that you offered and sold mosquito control services, pest control services and/or holiday lighting display and decoration services to prior to the date of this Agreement that will become a continuing customer of your Business operated pursuant to this Agreement (if applicable).

Force Majeure. Transportation shortages, inadequate supply of equipment, products, supplies, labor, materials or energy or the voluntary waiver of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; acts of God; fires, strikes, embargoes, epidemics, pandemics, war, acts of terrorism, or riot, or any other similar event or cause. Any delay resulting from any of such causes will extend or excuse performance, in whole or in part, as may be reasonable, except that such causes will not excuse payments of amounts owed to us or our Affiliates or designated suppliers at the time of such occurrence or payments due with respect to any sales thereafter.

Franchise Disclosure Document. Our disclosure document required by the Federal Trade Commission's franchise trade regulation rule and applicable state law, which accompanies the form of this Agreement.

Franchisee. The individual or entity designated as the "Franchisee" in the first paragraph of this Agreement.

Good Standing. You are in "Good Standing" if you are current on all payments due to us, our Affiliates and your suppliers, you have passed our most recent inspection and are otherwise in compliance with our standards and procedures set forth in the Brand Standards Manuals, and you are not in default of this Agreement or any other agreement between you and us or our Affiliates.

Gross Sales. Gross Sales means all revenue from sales of the Business, including amounts received from the sale of products and services of every kind and nature, and whether from cash, check, credit card or credit transactions. The term Gross Sales does not include (i) bona fide refunds to customers that are specifically authorized by us (ii) sales taxes collected (iii) discounts, coupons, and promotions, or (iv) sales of prepaid cards or similar products.

Immediate Family. The spouse of a person, the natural and adoptive parents, natural and adopted siblings, and natural and adopted children of such person and their spouses.

Initial Franchise Fee. The applicable initial franchise fee described in Section 4.1 and Exhibit A of this Agreement for a Business.

Lease. The agreement (whether written or oral) under which the right to occupy a Storage Facility has been obtained, and any amendment made thereto from time to time.

License. Your right and obligation to operate a Business in the Territory under the System and Proprietary Marks in accordance with the terms and conditions of this Agreement.

Local Marketing Requirement. The amount of money you must spend yourself on approved local advertising and marketing programs each Agreement Year during the term of this Agreement.

Losses and Expenses. The term “losses and expenses” means all compensatory, exemplary, incidental, consequential, or punitive damages (including lost profits); all fines, charges, costs, or expenses imposed by courts or other governmental authorities or by arbitrators; reasonable attorneys’ fees and all court or arbitration costs, settlement amounts, or judgments relating to litigation or arbitration; compensation for damages to our reputation and goodwill; costs of or resulting from your delays, costs of any necessary corrective advertising material and media time/space, and costs of changing, substituting, or replacing advertising; and all expenses of recall, refunds, compensation to third parties, public notices, and other similar amounts incurred in connection with the matters for which Losses and Expenses are to be paid.

Minority Owner. Any Owner who owns less than a Controlling Interest in you.

MosquitoNix Pest and Holiday Lighting Systems. The core (a) MosquitoNix pest management systems and related fogging, spraying, baiting and trapping applications and (b) MosquitoNix holiday lighting and décor items, that are then currently offered and sold by us or our affiliates and that are required to be purchased and used in your Business in accordance with the Brand Standards Manual.

National Accounts. Service and other contracts entered into by us on behalf of the System with builders, contractors and other Customers or prospective Customers, establishing group or special accounts for the products and services offered by Businesses.

Notice of Transfer. The written notice of a proposed Transfer required under Sections 13.3 and 13.4 of this Agreement, including such information and documentation relating to the proposed Transfer as we may reasonably require, which will include, without limitation: (i) the name of the proposed transferee, a reasonably detailed description of the proposed transferee’s business background, the most recent financial statement of the proposed transferee, executed and certified as to its accuracy by the proposed transferee, and such additional business and financial information and documentation as we will reasonably request, in the form we request, and, if the proposed transferee is a corporation, partnership, limited liability company, or other legal entity, similar information for each owner; (ii) written notice of all terms and conditions of the proposed Transfer, including, without limitation, copies of all executed agreements relating to the proposed Transfer; and (iii) copies of the most recent year end, quarterly and monthly financial statements of your Business certified as correct by one of your Owners or authorized officers.

Opening Date. The date we authorize your Business to open for service to the public, as entered on Exhibit A.

Opening Package Purchase Requirement. The minimum dollar amount of your Opening Package, which consists of an initial supply of equipment for the MosquitoNix Pest and Holiday Lighting Systems, chemicals, lighting and décor items, uniforms, and yard signs. For all Franchisees executing this form of Franchise Agreement, the Opening Package Purchase Requirement is \$13,500 to \$14,500.

Operations Manager. A person whom we approve and who has completed the instruction we provide who will manage the operation and development of your Business.

Our Indemnitees. Us, our Affiliates and our and their respective directors, officers, employees, shareholders, agents, successors and assigns, past or present, in their corporate or individual capacities.

Owner(s) and Ownership. All persons or entities having any direct or indirect legal or beneficial stock, membership, partnership or similar interest in you and any legal or equitable rights relating to any such interests.

Principal Owner. Any Owner who owns a Controlling Interest in you.

Privacy Laws. means any international, national, federal, provincial, state, or local law, code, rule or regulation that regulates the processing of Client Information in any way, including data protection laws

such as EU General Data Protection Regulation 2016/679 (“GDPR”), the California Consumer Protection Act of 2018 and other similar laws, rules or regulations, laws regulating marketing communications and/or electronic communications such as the CAN-SPAM Act and “Do Not Call” laws rules and regulations, information security regulations, the most current Payment Card Industry Data Security Standard, ISO 27001, ISO 27002, and security breach notification rules.

Promissory Note. The promissory note you signed when financing a portion of your initial franchise fee (if any).

Proprietary Marks. All words, symbols or devices, and the goodwill associated with them, that are now used, or are hereafter adopted, to identify and distinguish the products, services or business of the System, whether at common law or officially registered, granted or applied for in the United States or any other country, including, without limitation, (i) names, trade names, service marks, trademarks, logos and slogans, including all foreign translations or any variations thereof, printed or portrayed in either plain lettering style or in any graphic or other style, manner or combination; (ii) trade dress elements including the look, colors, color schemes, graphics, images, format, design and commercial impressions of internal and external premises, signage, advertising, promotional materials, business stationery and other written and visual media including items prescribed by the Brand Standards Manuals; and (iii) any other words, symbols, devices, titles, characters or any combination of any the foregoing.

Regional Advertising Cooperative. The regional advertising cooperative described in Section 8.2., if any.

Royalty Fee. The weekly royalty fee described in and calculated under Section 4.2 of this Agreement.

Software. Any technology software developed by or for us for the System, with such changes, modifications or enhancements as we may determine to be necessary, all of which will be deemed a part of the Software.

Storage Facility. The location listed in Exhibit A to this Agreement that is the warehouse or other approved location where Franchisee stores supplies, equipment and inventory used and sold by Franchisee as part of the Business.

System. A system for (1) selling, installing, applying and servicing MosquitoNix integrated residential and commercial mosquito and other indoor and outdoor pest management systems and related fogging, spraying, baiting and trapping applications under the MosquitoNix trademark and other Proprietary Marks and (2) selling, installing and servicing holiday lighting displays and decorations under the MosquitoNix Elves trademark and other Proprietary Marks. The System includes (or may in the future include), without limitation, (i) methods, systems, procedures and standards of operation; (ii) advertising and publicity programs; (iii) computer and electronic support systems; (iv) standards and specifications for equipment, including the MosquitoNix Pest and Holiday Lighting Systems; and (v) trade secrets, know-how, copyrighted and uncopied materials, plans and unpatented ideas, all of which may be changed, modified or enhanced by us from time to time.

Technology and Information Systems. The electronic systems that we may designate from time to time for use in the operation of a Business, including to collect, compute, store and report Gross Sales, other financial data and operating information, such as cash registers or other point of sale systems, computers, peripheral equipment and related hardware programs, including any other similar hardware for use with the Software designated for use in the Brand Standards.

Technology Fee. The weekly technology fee set for each Agreement Year described in Section 4.3 of this Agreement payable with respect to the continuing research, development and/or implementation of technology-based innovations for the System, including innovations in Technology and Information Systems.

Taxes. Any present or future tax, assessment or governmental charges imposed by any governmental authority, political subdivision or taxing authority, including but not limited to any withholding, sales, value added, gross receipts, stamp, or similar taxes.

Territory. The geographic area described in Exhibit A to this Agreement.

Transfer, Assign or Assignment. With respect to you, any proposed sale, assignment, transfer, conveyance, gift, pledge, mortgage or other encumbrance by you or your Owners which would result in a change of Ownership in you, this Agreement or your Business.

2. GRANT OF LICENSE.

2.1 Grant of License. Subject to the terms and conditions of this Agreement and your compliance with your obligations hereunder, we grant you a license and you accept the obligation to operate a Business in the Territory described in Exhibit A, using the System and Proprietary Marks in accordance with our standards, specifications, policies and procedures (“License”). You are specifically prohibited from sublicensing, assigning, or delegating to others any of your rights or obligations under this Agreement and from offering and selling MosquitoNix Pest and Holiday Lighting Systems except to the end consumer, through any distribution method, including at wholesale or retail, without our prior written consent. You may not actively market your Business to any person or entity whose residence or place of business is outside of the Territory, but with our prior written approval, you may sell MosquitoNix Pest and Holiday Lighting Systems outside of the Territory to Customers located in areas geographically contiguous to your Territory so long as such geographic area is not in the Territory of another Business operated by us, our affiliates or our franchisees. We may revoke our approval for you to operate outside of your Territory in our sole discretion. And, if you service Customers outside of the Territory with our approval, and elect not to execute our current form of Franchise Agreement with respect to all or any portion of such geographic area, you assume the risk that we may sell such geographic area to one or more other current or prospective franchisees of the System. If we do sell such geographic area to another franchisee, you will no longer have the right to service the Customers located in such geographic area, regardless of whether or not you installed MosquitoNix Pest and Holiday Lighting Systems for such Customers.

2.2 Reserved Rights. As long as you are in Good Standing, during the term of this Agreement we will not establish or operate, or license anyone other than you to establish or operate, a business within the Territory. Except as expressly provided herein, this Agreement does not in any way grant or imply any area, market or territorial right and we and/or our Affiliates (including MQX Products, LLC) reserve all rights not expressly granted herein, including, without limitation, the right:

- (a) To operate and grant licenses to others to operate a residential or commercial mosquito or other indoor or outdoor pest control business and/or holiday lighting display and decoration business outside the Territory;
- (b) To advertise and promote our System inside and outside the Territory;
- (c) To develop, establish and operate (directly or indirectly), and grant franchises to others to develop establish and operate other business systems inside and outside the Territory using any other marks and to spin off, sell, or dispose of any interest in those business systems, including a residential or commercial mosquito or other indoor or outdoor pest control business and/or holiday lighting display and decoration business so long as it does not use the MosquitoNix name;
- (d) To engage directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, operation, license and sale of any products and services (including residential or commercial mosquito or other indoor or outdoor pest control products or services such as those performed using the MosquitoNix Pest and Holiday Lighting Systems) under the Marks or any other marks, inside and outside the Territory, through any method of distribution

other than a Business, including large retail outlets, mail order catalogs, Internet, telemarketing, other direct marketing, or any other channel of distribution; and

(e) To acquire or be acquired by any company including, a company that operates or offers franchises for a residential or commercial mosquito or other indoor or outdoor pest control business and/or holiday lighting display and decoration business with outlets located or operating in the Territory under any trademarks or trade names except the Marks. In the event of any such acquisition by us or one of our Affiliates in the Territory, you agree that we or they may continue to operate (or authorize others to operate) the acquired company (and any and all of its outlets) in the Territory under the acquired company's trademarks and trade names.

3. TERM AND RENEWAL.

3.1 Term. Unless sooner terminated as provided in this Agreement, the initial term of this Agreement will begin on the Effective Date and will expire on the tenth (10th) anniversary of the Opening Date.

3.2 Renewal. If you are in Good Standing and are otherwise in compliance with the following conditions, you may renew the rights granted under this Agreement for two (2) additional consecutive renewal terms of 5 years each:

(a) You must give us written notice of your election to renew not less than six (6) months nor more than 12 months before the end of the initial term;

(b) You must renovate and modernize, in a manner satisfactory to us and consistent with the then-current standards and image of the System, such of your facilities and equipment used in the Business as we may reasonably require;

(c) You must execute the form of franchise agreement that we are then-currently offering to new franchisees, which will supersede this Agreement in all respects and may include, among other things, different fees, except that the number of renewal terms will be the number then remaining in accordance with this Agreement;

(d) You and your Owners must sign a general release, in a form we prescribe, of all claims against us, our Affiliates, and our and their respective officers, directors, shareholders, employees, agents and representatives, past or present, in their corporate and individual capacities;

(e) You must comply with our then-current qualification, training and staffing requirements; and

(f) You must pay us a renewal fee in the amount of \$10,000.

4. PAYMENTS AND REPORTING.

4.1 Initial Franchise Fee. You agree to pay to us upon execution of this Agreement a nonrefundable initial franchise fee in the amount set forth in Exhibit A to this Agreement, which amount is deemed fully earned upon receipt.

4.2 Royalty Fee.

(a) You will pay to us on or before 5:00 p.m. (Eastern Standard Time) of the first business day following the close of each Business Week a Royalty Fee in an amount equal to the greater of (1) a percentage of Gross Sales of the Business achieved during the immediately preceding Business Week during the applicable Agreement Year based on the following chart:

Gross Sales per Agreement Year	Percentage of Gross Sales
\$0 to \$500,000	10%
\$500,001 to \$600,000	9%
\$600,001 to \$700,000	8%
\$700,001 and above	7%

; or (2) a minimum weekly royalty fee for such Business Week for the applicable Agreement Year based on the following chart:

Agreement Year	Minimum Weekly Royalty Fee
Agreement Year 1	\$0
Agreement Year 2	\$137.50
Agreement Year 3	\$162.50
Agreement Year 4	\$187.50
Agreement Year 5	\$212.50
Agreement Year 6	\$237.50
Agreement Year 7	\$262.50
Agreement Year 8	\$287.50
Agreement Year 9	\$312.50
Agreement Year 10	\$387.50

Each such Royalty Fee payment will be accompanied by a report of Gross Sales for the applicable Business Week. Your obligation to pay Royalty Fees begins the earlier of: (1) the date Franchisee begins operating the Business, or 2) a maximum of 90 days after the Effective Date. If this franchise is renewed in accordance with Section 3.2 of this Agreement, a new minimum weekly royalty fee will be established for the agreement years during the renewal term.

4.3 Brand Development Fee; Customer Acquisition Commission; Technology Fee; Other Fees and Charges. In addition to the fees described in Sections 4.1 and 4.2 above, you agree to pay:

(a) To us at the time and in the manner as each Royalty Fee payment, a Brand Development Fee in an amount of 2% of the Gross Sales of the Business during the immediately preceding Business Week. Notwithstanding the foregoing, you agree that we have the right, upon 60 days' prior written notice, to increase the percentage of Gross Sales required as a Brand Development Fee to not more than 3% of the Gross Sales of the Business; and

(b) To us at the time and in the manner as each Royalty Fee payment, a Customer Acquisition Commission equal to 8% of your Gross Sales for a single new sale of QuickNix application or holiday lighting displays and decorations and installation.

(c) To us at the time and in the manner as each Royalty Fee payment, a Technology Fee equal to \$75 per week. Notwithstanding the foregoing, you agree that we have the right, upon 60 days' prior written notice, to increase the Technology Fee after each Agreement Year.

(d) To us at least 45 days before each System convention, a convention fee equal to \$1,000 per attendee (minimum one attendee per convention).

(e) To us or our Affiliates and to other third-party suppliers promptly when due all other fees, charges and reimbursable amounts payable under this Agreement or other agreements between you and us, our Affiliates, or such third-party suppliers. Such payments will be made at such times and in such manner as may be specified in this Agreement, the Brand Standards Manuals, or other agreements between you and us, our Affiliates, or your suppliers.

4.4 Interest. Any amounts due from you to us or our Affiliates which are not actually received on or before the due date will be deemed overdue. If any payment to us or our Affiliates is overdue: (a) you must pay us or them, in addition to the overdue amount, daily interest on the overdue amount from the date it became overdue until paid, at the rate of 1.5% per month or the maximum rate permitted by law, whichever is less; and (b) we or they may deduct all or any portion of the overdue amount from any of your monies or credits held by us. The foregoing remedies will be in addition to any other remedies we may have.

4.5 Payment Procedures. Concurrently with the execution of this Agreement, you agree to execute Exhibit C to this Agreement and all other documents necessary to permit us to withdraw funds from your designated bank account by electronic funds transfer (“EFT”) to pay any and all amounts payable under or pursuant to this Agreement, including, but not limited to, Royalty Fees, Brand Development Fees, Customer Acquisition Commission, Technology Fees and all other fees, charges, reimbursements, and payments for equipment, materials and supplies purchased from us or our Affiliates, together with any interest charges due thereon, at the time such amounts become due and payable. Any fee calculated by reference to Gross Sales will be based on the information we obtain pursuant to Section 6.16. of this Agreement or your most recent report of Gross Sales, which must be provided by the first day of each Business Week for the preceding Business Week; provided, that if it is later determined (i) that the actual amount of the fee due was more than the amount of the EFT, then we will be entitled to withdraw additional funds through EFT from your designated bank account for the difference; or (ii) that the actual amount of the fee due was less than the amount of the EFT, then we will credit the excess amount to the payment of your future obligations. Should any EFT not be honored by your bank for any reason, you agree that you will be responsible for that payment and any service charge. If any payments are not received when due, interest may be charged in accordance with Section 4.4. Upon 30 days written notice to you, we may designate another method of payment. If you fail to timely submit a weekly report of your Gross Sales on the first day of each Business Week, you must pay us a late report fee of \$200 per late report.

4.6 Application of Payments. Notwithstanding any designation you might make, we have sole discretion to apply any of your payments to any of your past due indebtedness to us. You acknowledge and agree that we have the right to set off any amounts you or your Owners owe us against any amounts we might owe you or your Owners.

4.7 Adjustment for Taxes. It is your and our intent that we receive the amounts set forth in Sections 4.1 and 4.2 net of any Taxes except for Taxes that may be characterized as an income tax on our net taxable income. Therefore, you agree to pay us such additional amounts as may be necessary in order that we receive the same net amount we would have received under this Agreement had no such Taxes been applicable to such payments.

4.8 Reports. You agree to maintain full, complete and accurate records, reports and financial statements of the Business conforming to the requirements we prescribe from time to time and we will have real-time remote access to your database at any time. You agree to furnish to us via the medium we prescribe (which may include computer diskette, electronic mail, facsimile transmission and/or remote access to your Technology and Information Systems), in a form consistent with our then-current accounting practices and procedures, information with respect to the Business including, but not limited to, reports of the revenues of the Business, financial statements and statements of operation, copies of your sales tax returns, and such other information as we may reasonably require from time to time. All such reports as

we may require will be certified as true and correct by a Principal Owner or one of your authorized officers. Without limitation of the foregoing, you agree to furnish to us the following:

- (a) within 30 days after each fiscal quarter, a balance sheet and income statement for such quarter and fiscal year to date;
- (b) within 90 days after the end of your fiscal year, a balance sheet, an income statement for such fiscal year (reflecting all year-end adjustments), and a statement of cash flows, prepared in accordance with generally accepted accounting principles consistently applied and in the format we prescribe from time to time;
- (c) upon our request complete copies of all sales, value added, use and service tax returns, and employee withholding, worker's compensation, and similar reports filed by you reflecting activities of the Business;
- (d) within 5 business days following the end of each calendar month, a sales activity report including product and services sold during the immediately preceding month and customer names and addresses; and
- (e) such other data, information, and supporting records for such periods as we from time to time require (including, without limitation, daily and weekly reports of service and product sales by category).

4.9 Authorization to Release Information. You hereby authorize us (and agree to execute any documents we deem necessary to effect such authorization) to disclose data from your reports to governmental entities and other third parties (including, without limitation, prospective or existing franchisees) if we determine, in our sole discretion, that such disclosure is necessary or advisable.

5. OUR OBLIGATIONS.

Subject to the terms and conditions of this Agreement, we agree to provide the following services on the same basis as we from time to time make such services available to other similarly situated franchisees:

5.1. Training. To provide such initial orientation and training to those of your Owners and/or employees as we reasonably deem necessary.

5.2. Brand Standards Manuals. To provide you with access to our Brand Standards Manuals and all supplements and changes to the Brand Standards Manuals during the term of this Agreement.

5.3. Opening Assistance. To make available at no additional cost in connection with the opening of your first Business such personnel as we determine to be necessary or appropriate. If you request opening assistance in connection with any additional business, we may charge you a reasonable fee for our services, and may require you to or reimburse our associated expenses.

5.4. Consultation. To make our personnel available for consultation, in person or by telephone, electronic mail, group meetings or otherwise, as determined by us in our reasonable discretion, regarding the management, operation, promotion, and advertising of the Business.

5.5. Software. To make available to you, upon your payment of the related fees and costs (including any related Technology Fees), our Software. You agree that you will acquire no proprietary interest in our Software, you will use such Software only in connection with the operation of your Business, and you will not change or modify the Software in any manner.

5.6 Products, Equipment and Supplies. To make or cause our affiliates or other approved suppliers to make available to you, the MosquitoNix Pest and Holiday Lighting Systems and certain other supplies, forms, promotional and advertising materials and other items as we, in our discretion, may require from time to time.

5.7 Advertising. To list you, whenever we deem it appropriate, in such advertising and/or sales promotional materials as we may develop or issue from time to time.

5.8 Warranty Programs. In our discretion, to establish and administer the operation of a warranty program for Customers (including, without limitation, warranty terms and reimbursement rates).

5.9 Data. To provide to you such non-confidential data as we reasonably deem to be required to enable you to prepare necessary reports relating to the operation of the Business.

5.10 Delegation. You agree that we will have the right, at any time, to delegate the performance (including without limitation, outsourcing any services provided to you) of any portion or all of our obligations and duties under this Agreement to designees whom we reasonably determine to be financially and operationally qualified to perform the duties delegated, whether the same are our Affiliates, agents, or independent contractors with which we have contracted to provide these services.

6. YOUR COVENANTS AND OBLIGATIONS.

6.1 Commencement and Conduct of Operations; Initial and Annual Purchase Requirements. You will begin operation of the Business not later than the Opening Date, and will diligently promote, conduct and operate the Business thereafter without cessation in accordance with the provisions of this Agreement, the Brand Standards Manuals and any other written directive we issue. Without limitation of the foregoing,

(a) Within 30 days after all required personnel complete our initial training program and in all cases before you open your Business, you must fulfill your Opening Package Purchase Requirement. The cost of the Opening Package is non-refundable.

(b) Within 30 days after all required personnel complete our initial training program and in all cases before you open your Business, you must purchase from us printed marketing materials. The cost of these items is \$2,000, and it is non-refundable.

6.2 Storage Facility. The License and your rights under this Agreement are granted for the Territory described in Exhibit A. Notwithstanding the foregoing, no site may be used for a Storage Facility unless it is first accepted in writing by us, and you agree that you will not open any Storage Facility other than those listed in Exhibit A without our prior written consent, which we may grant or withhold in our reasonable discretion. You must open your business by the date listed in Exhibit A. Before obtaining a site for a new Storage Facility or moving a previously accepted Storage Facility, you must submit a description of the site to us, in the form we specify, including evidence satisfactory to us demonstrating that the site satisfies our requirements for a Storage Facility, and such other information as we may reasonably require. We will have 30 days after receipt of the foregoing information to accept or decline to accept the proposed site as a Storage Facility. If we accept the site as a Storage Facility, you and we will amend Exhibit A to reflect the new address of the previously accepted Storage Facility or to add the additional Storage Facility. You agree that our acceptance of a Storage Facility does not constitute a guarantee, assurance, representation or warranty of any kind, express or implied, as to the suitability of the Storage Facility for any purpose. Our acceptance of a Storage Facility site indicates only that we believe the site falls within the acceptable criteria for Storage Facility that we have established as of the time we accept the site. You will provide us an executed copy of the Lease for the Storage Facility.

6.3 Your Owners. You represent to us, and we have granted the License and entered into this Agreement in reliance upon your representation, that the persons named in Exhibit B to this Agreement are

your sole Owners and, except as permitted under Section 13 of this Agreement, will continue to be your sole Owners throughout the term of this Agreement in the percentage interests indicated in Exhibit B.

6.4 Your Management. You represent that your officers and directors or managers and your authorized Operations Manager are accurately listed in Exhibit B to this Agreement. At all times during the term of this Agreement you agree to employ an Operations Manager to oversee the day-to-day operation of your Business; provided, that if the Business is an add-on to an Existing Business operation identified in Exhibit A to this Agreement, such Operations Manager may also oversee the operation of any such other Existing Business listed on Exhibit A without being in violation of this Agreement. You must also employ a certified applicator for the MosquitoNix Business. You agree to advise us promptly of any change or proposed change in your officers and directors or managers and of any change or proposed change in your Operations Manager at least 30 days before such change is to be effectuated, unless such person will resign (and provided, that the terms of such resignation do not permit you to give 30 days' notice), die, be terminated or become disabled in such a manner and at such a time as to render it impossible for you to give us the required advance notice. In that event, you agree to give us the notice required by this Section immediately upon the occurrence of such resignation, death, termination, or disability and again upon obtaining the agreement of another individual to assume the duties of the former officer, director, manager or Operations Manager.

6.5 Covenants of Owners and Management. You agree to obtain from each of your Principal Owners a Guaranty of Payment and Performance in the form set forth as Exhibit D-1 to this Agreement, including a commitment and covenant to comply with Sections 4, 6.5, 6.22, 10, 11, 13.2 through 13.7, 15 and 17 of this Agreement. You further agree to obtain from each of your Minority Owners a commitment and covenant in the form of Exhibit D-2 to this Agreement to comply with certain key provisions of this Agreement. You also agree to obtain from your officers and directors or managers and from your Operations Manager and any other management personnel we may require a commitment and covenant in the form of Exhibit D-3 to this Agreement to comply with certain key provisions of this Agreement. These covenants and agreements will be made at the time you enter into this Agreement and will specifically be for our benefit, and we will have the independent right to enforce them; provided, that you will indemnify us from any damages arising due to a breach of such individual covenants.

6.6 Your Employees. Your employees must present a professional appearance at all times and render competent and courteous service to all Customers and prospective Customers of the Business. You agree to take such steps as are reasonably necessary to ensure that your employees preserve good Customer relations and render competent, prompt, courteous and knowledgeable service. You will also ensure that all your employees are at all times wearing uniforms which comply with our standards and specifications. You are solely responsible for all employment decisions and functions at and for the Business, including, without limitation, those related to hiring, firing, wage and hour requirements, payment and provision of wages, salaries and fringe benefits, record-keeping, supervision and discipline. You acknowledge and agree that you will be solely responsible for the acts and omissions of your employees. You agree to specify on all employment applications used in the Business that you are the sole employer of the employees of the Business and that there is no employment relationship between us and your employees. You agree to attend any System convention we hold from time to time, and pay the then current convention fee for attendance.

6.7 Training. If this is your first Business, before you open for Business, you and/or your Operations Manager and any of your owners whom we require must attend and satisfactorily complete to our satisfaction our orientation and initial training program ("Initial Training") for the Business. You must pay us a \$7,000 Initial Training Fee, which includes Initial Training for up to three individuals to attend. The Initial Training includes five (5) days of technical training in Jacksonville, Florida and 3 days of virtual Business Training. You agree to cause such of your Owners and other personnel as we may designate to attend and complete to our satisfaction such initial orientation and initial and additional training programs as we may from time to time require. Initial training must be completed before commencing operations of the Business. You will be responsible for all expenses in connection with attending the Initial Training Program, including but not limited to travel expenses, living expenses, and compensation of your trainees, and we reserve the right to charge a reasonable fee for training materials provided in connection with

additional training programs. All training will be conducted at such times and places, and in such manner (including, without limitation, electronically) and for such duration as we may designate.

Notwithstanding the foregoing, if you request us to provide additional training a beyond the training we determine to be reasonably necessary, or if we determine that remedial training is required, or if training of replacement personnel is required, we reserve the right to charge you a reasonable training fee, together with the costs and expenses of our trainers, and if applicable, their travel and lodging expenses. The cost of additional training will depend on your needs and the amount of additional training you desire or that we require.

As a condition of providing training, we reserve the right to require that your personnel receiving training execute confidentiality agreements prepared or approved by us. Notwithstanding the foregoing, we and you acknowledge and agree that we will not, and will have no right or authority to, control the employees of the Business or your other employees. We will have no right or authority with respect to the hiring, termination, discipline, work schedules, pay rates or pay methods of employees of the Business or of you. You acknowledge and agree that all of your employees and the employees of the Business will be your exclusive employees and will not be our employees nor joint employees of you and us.

6.8 Customer Service Vehicle. You must use in the Business as a customer service vehicle only a later model, mechanically sound vehicle with no visible paint or body damage that meets our Brand Standards and complies with our current signage requirements. You must lease or purchase a customer service vehicle from our preferred vendors if you do not already own such a vehicle that meets our standards and specifications. You must have all required signage applied to the customer service vehicle within 90 days of the vehicle being placed in service. Subject only to applicable laws, you agree to conform the interior and exterior of all Storage Facility to the System standards we prescribe from time to time, and agree to erect, maintain, and display prominently the number, type, and quality of signs reasonably considered by us to identify the Storage Facility adequately and properly as a MosquitoNix Storage Facility. You must not add to, subtract from, or otherwise alter the form or content of the signage that we require. We will have the right to determine that your signage complies with our standards and specifications, but will not unreasonably withhold our approval.

6.9 Identification as an Independent Franchisee. You agree to prominently display any such notice that we may require in the Brand Standards Manual or otherwise in writing (in such content and form and at such conspicuous locations as we may designate) and to make such disclosures as we may require in business transactions with third parties, to clearly identify yourself as one of our independent franchisees. You will not identify yourself as us or as a subsidiary, division, partner, joint venturer, attorney-in-fact, agent or employee of us, or as being associated with us in any manner other than as our franchisee. You further agree that in all such places and in all advertising and sales promotional materials, business checks, letterhead, forms, business cards, envelopes, invoices, rate folders, and such other materials or equipment as we may reasonably prescribe from time to time, you will use the Proprietary Marks only in obvious conjunction with the words, “An Independent MosquitoNix and MosquitoNix Elves Franchisee.”

6.10 Credit Cards. You agree to honor such credit cards, courtesy cards, and other credit devices, programs, and plans as may be issued or approved by us from time to time, in accordance with the terms and conditions thereof. Any reasonable and customary service charges or discounts from reimbursements charged on such cards or authorizations will be at your sole expense. You waive all claims and agree to indemnify and to hold us and our Affiliates harmless from all responsibility for losses resulting from charges incurred by you as a consequence of honoring any cards or authorizations for credit and identification purposes.

6.11 National Accounts. We will have the right to enter into National Accounts on behalf of the System. Recognizing the importance of National Accounts to the System and the collaborative efforts necessary to maintain them, you agree to service such National Accounts as we may identify from time to time, upon the terms and conditions set forth therein, at prices that we state, and which may change from

time to time, in accordance with the terms of this Agreement and of the National Account programs set forth in the Brand Standards Manuals or otherwise in writing.

6.12 Group Purchasing Programs. You agree to support and participate in any group purchasing program we develop from time to time, if at all, with respect to equipment, supplies and services used in the Business.

6.13 Warranties and Guarantees. Recognizing the value of providing standardized warranties and guarantees of the services performed by Businesses to the Customers thereof, we have established, or may in the future establish, uniform warranties and guarantees for Businesses. You agree to provide all warranties and guarantees we prescribe to the Customers of your Business, on forms we provide, and agree not to issue or offer any other warranty or guarantee without our prior written consent. You further agree to honor valid customer claims presented under warranties and guarantees made by you and other Businesses, without demanding reimbursement for the cost thereof from the Customer, and instead, accepting reimbursement from the Business that originally performed the work. You also agree to reimburse any other Business that satisfies any warranty or guarantee you issue. All reimbursements will be in an amount not to exceed our then-current nationally recommended warranty rates and will be paid within the time period set forth in our warranty policy. In the event of a dispute between you and a Customer or another Business over any warranty or reimbursement for services rendered in accordance therewith, we will evaluate the dispute and make a determination as to how it should be resolved, and you agree to be bound by any such decision.

6.14 Products and Services Offered. You agree that you (i) will offer and sell only the products and services that we periodically specify; (ii) will not offer or sell any products or services that we have not authorized; and (iii) will discontinue selling and offering for sale any products or services that we at any time disapprove.

6.15 Designated and Approved Products And Suppliers.

(a) You agree that you will purchase the principal components of the MosquitoNix Pest and Holiday Lighting Systems only from us, our Affiliates or suppliers that we have designated. Notwithstanding the foregoing, oversized and ancillary components for the pest management system approved by us and listed in the Brand Standards Manuals may be sourced locally in accordance with the following provisions of this Section.

(b) In addition to the requirements set forth in subsection (a), you agree to use only the products, services, supplies, inventory, equipment, customer contracts and related forms, computer hardware and software, fixtures, furnishings, and signs that we have approved as meeting our specifications and standards for quality, design, appearance, function and performance. We reserve the right to periodically designate or approve suppliers of any such items and if we require, you agree to purchase or lease all such items only from suppliers we designate or approve, which may include or be limited to us and/or our Affiliates. We will provide you with a list of approved or designated suppliers and will from time to time issue revisions to the list. If an item or service may be purchased from more than one supplier and you wish to purchase the item or service from a supplier that is not currently approved by us, you must notify us in writing of your desire to do so and submit to us (or to an independent laboratory we designate) specifications, photographs, samples and/or other information we request. We may also inspect the supplier's facilities. Within a reasonable time, we will determine whether such items or supplier meet our specifications and standards and will notify you whether you are authorized to use such item or purchase from such supplier. We also have the right to revoke the approval of any item or supplier that fails to continue to meet our standards. At our request, you agree to pay or reimburse us for our reasonable expenses incurred in the supplier approval process (whether or not approval of the supplier is granted.)

(c) With respect to any item which you are required, or elect, to purchase from us, our Affiliates, or our designated suppliers (a "Required Supplier"), you agree to provide the Required Supplier reasonable notice (which will in no event be less than 30 business days prior to the requested delivery date)

of your requirements by the submission of a completed purchase order. If the Required Supplier cannot satisfy your requirements within a reasonable period of time (not to exceed 10 days following the requested delivery date on the purchase order), we may authorize you to purchase the items necessary to complete the order from an alternative supplier. You agree that we and/or our Affiliates may derive revenue based on your required purchases (including, without limitation, from charging you for items we or our Affiliates provide to you and from payments made to us by suppliers that we designate or approve for some or all of our franchisees).

6.16 Technology and Information Systems. You agree to acquire, install and use the Technology and Information Systems that we specify from time to time for use in the operation of the Business. Following installation of the Technology and Information Systems, each transaction of the Business will be processed on the Technology and Information Systems in the manner we prescribe from time to time. You acknowledge that we may modify the specifications and the components of any such Technology and Information Systems from time to time. As part of the Technology and Information Systems, we may require you to obtain specified computer hardware and/or software, including, without limitation, a license to use proprietary Software developed by us or others, and to enter into service and support arrangements. Our modification of the specifications for the Technology and Information Systems may require you to incur costs to purchase, lease and/or license new or modified computer hardware and/or software and to obtain service and support for the Technology and Information Systems during the term of this Agreement. You acknowledge that we cannot estimate the future costs of the Technology and Information Systems (or additions or modifications thereto) and that the cost to you of obtaining the Technology and Information Systems (including software licenses) or additions or modification thereto may not be fully amortizable over the remaining term of this Agreement. Nonetheless, you agree to incur such costs. Provided your Technology and Information Systems meets our then-current standards and specifications, we will not require you to spend more than \$10,000 on modifications and/or upgrades during the term of this Agreement; however, this limitation does not apply to upgrades or modifications based on changes to our standards or specifications or to any franchise agreement entered into in connection with a renewal or transfer of a franchise with us. Within 60 days after you receive notice from us, you agree to obtain the components of the Technology and Information Systems that we designate and require. You further acknowledge and agree that we have the right to charge a reasonable systems fee for software or systems modifications and enhancements specifically made for us that are licensed to you and other maintenance and support services that we or our Affiliate furnishes to you related to the Technology and Information Systems. At our request, you agree to transmit to us or permit us to collect electronically information from the Technology and Information Systems. We will have, at all times (including on a daily basis), the right to access and retrieve all sales and other information relating to the Business from the Technology and Information Systems and you agree to take such action as may be necessary to provide such access to us.

6.17 System Standards and Modifications. You agree to maintain the reputation of the System by complying with all terms, conditions and requirements of this Agreement, the Brand Standards Manuals and the System. You acknowledge that such compliance is important to you, us, and other franchisees in order to maintain high quality and uniform operating standards and to protect the goodwill associated with the Proprietary Marks and the System. You agree that we may periodically add to, change, amend, modify, delete, enhance, combine, replace, substitute, and/or discontinue all or any portion of the System as may be necessary in our sole judgment to maintain or enhance the reputation, efficiency, competitiveness and/or quality of the System, or to adapt to new conditions, materials or technology, or to better serve the public. No such modification will alter your fundamental status and rights as a franchisee of a Business under this Agreement. You agree to fully comply with all such additions, changes amendments, modifications, deletions, enhancements, combinations, replacements, substitutions, and/or discontinuations, even though certain of such modifications (“Capital Modifications”) may obligate you to invest additional capital in your Business and/or incur higher operating costs. You agree that you will make any Capital Modifications required by this Section that a majority of the Business then operated by us or our Affiliates have made or are utilizing best efforts to make. We agree to give you 60 days (or such longer period as we may specify in writing) to comply with any Capital Modification we require. You are obligated to comply with all System modifications, other than Capital Modifications, within the time period we reasonably specify.

You acknowledge and agree that in no case will the System or standards include any personnel policies or procedures or security-related policies or procedures that we (at our option) may make available to you in the Brand Standards Manual or otherwise for your optional use. You will determine to what extent, if any, personnel or security-related policies and procedures might apply to operations of the Business. We neither dictate nor control labor or employment matters for franchisees and their employees and we are not responsible for the safety and security of the employees or patrons of the Business.

We and you are not joint employers of your employees and other personnel. We do not and will not share or codetermine any of your employees' essential terms and conditions of employment. More specifically, in no case do we have any authority to determine or set your employees': (1) wages, benefits, and other compensation; (2) hours of work and scheduling; (3) the assignment of duties to be performed; (4) the supervision of the performance of duties; (5) work rules and directions governing the manner, means, and methods of the performance of duties and the grounds for discipline; (6) the tenure of employment, including hiring and discharge; and/or (7) working conditions related to the safety and health of employees. You alone have sole authority to determine any or all your employees' essential terms and conditions of employment.

6.18 Internet; Intranet.

(a) We have established an Internet website that provides information about the System and the products and services offered by Businesses. We have sole discretion and control over the website (including timing, design, contents and continuation) and may (but are not required to) include at the website interior pages containing information about our franchisees' Businesses. If we do, we may require you to prepare all or a portion of the page for your Business, at your expense, using a template that we provide. All information will be subject to our approval prior to posting. You agree to participate in any websites we maintain or subscribe to at your sole expense and in accordance with the procedures set forth in this Agreement and in the Brand Standards Manuals. Absent our prior written approval, you agree to refrain from establishing, maintaining, operating or participating in any other website. Notwithstanding our approval of another website, we reserve the right to revoke such approval at any time that such website fails to continue to meet our standards and you agree that upon such revocation, you will immediately discontinue use of such website.

(b) We have the sole right (but no obligation) to develop an Intranet through which we and our franchisees can communicate by e-mail or similar electronic means. You agree to participate in and use the facilities of the Intranet in strict compliance with the standards, protocols and restrictions that we include in the Brand Standards Manuals (including, without limitation, standards, protocols and restrictions relating to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements).

6.19 Conduct of Operations. You agree to conduct the Business: (a) in an orderly and businesslike manner, reasonably designed to ensure that Customer demand for the services of the Business is satisfied at all times during the term of this Agreement; (b) in a manner that will not discredit or impair the value of the Proprietary Marks, the System or the goodwill associated with them; (c) in compliance with all applicable laws, orders, rules, regulations and regulatory agreements (including, without limitation, all federal and state pesticide laws and regulations, including registration, certification and other personal and business licensing requirements, the Federal Insecticide, Fungicide, and Rodenticide Act, and the Occupational Safety and Health Act standards), and (d) such policies, hours of operations and operating standards as we may set forth from time to time in the Brand Standards Manuals or otherwise in writing. Without limiting the foregoing, you recognize that the failure to promptly pay Taxes or other debts attributable to the operation of the Business will result in a loss of credit rating or standing which will be detrimental to the goodwill associated with the Proprietary Marks and the System. Except for payments which are disputed by you in good faith and in compliance with applicable law, you agree to promptly pay when due all such amounts owed by you.

6.20 Vehicle Standards. Any vehicle you use in the operation of your Business must meet our image and other standards. You must place such signs and decor items on the vehicles as we require and must at all times keep the vehicles clean and in good working order. You will not permit anyone to operate a vehicle used in the operation of the Business who is under the legal driving age or who does not possess a valid driver's license issued by state in which your Business is located. You will require each person who operates a vehicle used in the operation of the Business to comply with all applicable laws, regulations and rules of the road and to use due care and caution in the operation and maintenance of the vehicles.

6.21 Inspections and Audits.

(a) You agree to permit our representatives at any time during normal business hours, without written or oral notice, to inspect your business premises and to promptly correct any deficiencies noted. If we determine on re-inspection that such deficiencies have not been corrected, you agree to pay to us the cost of the re-inspection, including normal daily compensation, travel expenses, and room and board for our representatives.

(b) You agree to permit our representatives at any time during normal business hours, without written or oral notice, to examine, copy, and audit all or any part of your books, records, and accounts and any other documents relating in any way to the Business or this Agreement, including, but not limited to, any of your sales, income, expense, or property tax records. You will maintain all such records and books for 3 years. If any such audit reveals an understatement of two percent (2%) or more in Gross Sales, Royalty Fees, Brand Development Fees, or any other amounts due us, or a discrepancy of five percent (5%) or more from any other data reported to us, or discloses that you have materially failed to comply with any provision of this Agreement, you agree promptly to pay to us the amount owed plus interest in accordance with the terms of this Agreement. You also agree to pay to us the cost of the audit, including normal daily compensation, travel expenses, and room and board for our representatives.

6.22 Pricing. We reserve the right, to the fullest extent allowed by applicable law, to establish or suggest maximum, minimum or other pricing requirements with respect to the prices that you may charge for products or services.

6.23 Crisis Management. You shall process and handle all Customer or other complaints connected with or relating to the Business, and shall promptly notify Us by telephone and in writing of all: (a) safety or health violations, (b) claims exceeding \$1,000.00, and (c) any other material claims against or losses suffered by you. You shall maintain any communications with governmental authorities affecting the Business during the term of this Agreement and for one (1) year after the expiration or earlier termination hereof. Further, upon the occurrence of a Crisis Management Event, you must immediately inform us by telephone or electronic means, must cooperate fully with us with respect to our response to the Crisis Management Event, and must implement such remediation plan as may be instituted by us, which may include us requiring a temporary closure of the Business as part of the Crisis Management Event remediation.

6.24 Indemnification. You agree to hold harmless and indemnify our Indemnitees, to the fullest extent permitted by law, against all Losses and Expenses incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof, whether or not a formal proceeding or action has been instituted (each, a "claim") arising directly or indirectly from, as a result of, or in connection with (i) acts, errors, or omissions by you or your agents or employees in connection with your establishment or operation of the Business, (ii) a breach by you or your agents or employees of any warranty, representation, agreement or obligation in this Agreement or in any other agreement with us or our Affiliates; (iii) a violation, breach or asserted violation or breach by you or your agents or employees of any federal, state or local law, regulation, ruling, standard or directive or any industry standard, and regardless of whether such claim resulted from any strict or vicarious liability imposed by law on our Indemnitees; or (iv) any actual or alleged claim that we and you are joint employers of any Franchisee employee or personnel; provided, that this indemnity will not apply to any liability arising from the gross negligence or willful acts of our Indemnitees (except to the extent that joint liability is involved, in

which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to you). You agree to give us prompt notice of any claim of which you are aware for which indemnification is required, and, at your expense and risk, we may elect to assume (but are under no circumstance obligated to undertake) the defense and/or settlement of the claim, provided that we will seek your advice and counsel. Our assumption of the defense does not modify your indemnification obligation. We may take such actions as we deem reasonably necessary and appropriate to investigate, defend, or settle any claim or take such other remedial or corrective actions as may be reasonably necessary for the protection of our Indemnitees or the Businesses generally. This Section will survive the expiration or termination of this Agreement.

6.25 Customer Information. All Customer Information that we obtain from you and that you collect from Customers and all revenues we derive from such Customer Information will be our property and our Confidential Information that we may use for any reason without compensation to you, including making a financial performance representation in our franchise disclosure documents. You assign and will be deemed to have assigned all rights in Customer Information to us. You will provide copies of all Customer Information to us upon request. At your sole risk and responsibility, we grant to you the right to use such Customer Information that you acquire from Customers and other third parties solely in connection with operating the Business at any time during the Term of this Agreement, to the extent that your use is permitted by applicable law. Upon expiration of the Term, all copies of Customer Information must be returned to us and removed from your technology and information systems. Upon the termination or expiration (without renewal) of this Agreement, you acknowledge and agree that we may assign the Customer Information to another of our franchisees or to a company-affiliated location and you hereby appoint us as your true and lawful attorney-in-fact with full power and authority, for the purpose of doing so. This power of attorney will survive the expiration or termination of this Agreement. Notwithstanding anything in this Section to the contrary however, you and we agree that, to the extent the Customer Information includes names, addresses, and other information for persons who are customers of both the Business and an Existing Business identified in Exhibit A to this Agreement, you will jointly own and may continue to use the customer information relevant to the operation of such other Existing Business, solely in connection therewith, and in no event will any such customer information be used in connection with the sale, installation or servicing of pest management systems and related products and services.

6.26 Privacy and Data Protection. You must take all necessary actions to independently: (i) learn and comply with all applicable Privacy Laws; (ii) learn and comply with the Brand Standards Manuals as they relate to Privacy Laws and the privacy and security of Customer Information; (iii) learn and comply with any posted privacy policy and other representations made to the individual identified by Customer Information that you processes, and communicate any limitations required thereby to any authorized receiving party in compliance with all Privacy Laws; (iv) refrain from any action or inaction that could cause us or our Affiliates to breach any Privacy Laws; (v) maintain, and cause adherence by your personnel to all reasonable physical, technical and administrative safeguards and related policies for Customer Information that is in your possession or control in order to protect such Customer Information from unauthorized processing, destruction, modification, or use that would violate this Agreement, the Brand Standards (which may include a non-exhaustive list of the minimum types of policies that must be implemented) or any Privacy Law; (vi) do and execute, or arrange to be done and executed, each act, document and thing we deem necessary in its business judgment to keep us and our Affiliates in compliance with the Privacy Laws; and (vii) immediately report to us the breach of any requirements in this Agreement or the Brand Standards Manuals regarding Customer Information or any Privacy Law, or the theft or loss (or any apparent or alleged theft or loss) of Customer Information (other than the Customer Information of your own officers, directors, shareholders, employees or service providers). You will, upon request, provide us with information, reports, and the results of any audits performed regarding your data security policies, security procedures, or security technical controls related to Customer Information. You will, upon our request, provide us or our representatives with access to your technology and information systems, records, processes and practices that involve processing of Customer Information in order to mitigate a security incident or so that an audit may be conducted. You will indemnify, defend and hold us and our Affiliates, and their respective officers, directors, shareholders, members, managers, partners, employees, servants, independent contractors, attorneys, representatives, agents and associates harmless in connection with any

claim or action arising out of or relating to: (i) any theft, loss or misuse (including any apparently or alleged theft, loss or misuse) of Customer Information; and (ii) your breach of any of the terms, conditions or obligations relating to data security, Privacy Laws or Customer Information set forth in this Agreement. You will immediately notify us upon discovering or otherwise learning of any theft, loss or misuse of Customer Information. You will, at our direction, but at your sole expense, (i) undertake remediation efforts on its own in concert with our directions, (ii) reasonably cooperate with any remediation efforts undertaken by us and (iii) undertake efforts to prevent the recurrence of the same type of incident, including by paying for any remediation and post-breach monitoring process deemed appropriate by us. You will not make any public comment regarding and data security incident without our approval. Any notifications to the media Customers regarding theft or loss of Customer Information will be handled exclusively by us at our election and neither you nor your personnel may contact Customers relating to such theft or loss unless you are under a legal obligation to do so, in which case (i) you must notify us in writing promptly after concluding that you have the legal obligation to notify any Customers and (ii) you will limit the notices to Customers to those required by the legal obligation or as pre-approved by us. You will reasonably cooperate in connection with any notices to Customers regarding theft or loss and you will assist with sending such notices upon request by us.

6.27 Administrative Default Fee. To encourage your compliance with this Agreement and the Brand Standards Manual, if you fail to comply with our standards and specifications or use unauthorized products, equipment, or vendors, we may charge an administrative default fee of \$100 per occurrence and \$100 per week until you cure.

7. **MAXIMIZE VOLUME.** You agree that your commitment to the continuing growth of the Business is a material consideration for our decision to grant you the franchise for the Territory. Accordingly, you agree to use all commercially reasonable efforts throughout the term of this Agreement to increase the volume of your Business by taking such actions as may be reasonably designed to accomplish such purpose.

8. **ADVERTISING AND PROMOTION.**

8.1 Regional Advertising Cooperatives. You agree that we may designate a geographic area in which 2 or more Businesses are located as a region in order to establish an advertising Cooperative. The Cooperative's members in any area will include all of the Business operating in that area (including those owned by us or our Affiliates, if applicable). Each Cooperative will be organized and governed in a form and manner, and begin operating on a date, that we determine in advance. Each Cooperative's purpose will be, with our approval, to administer advertising programs and develop advertising, marketing and promotional materials for the area that the Cooperative covers. If, as of the time you sign this Agreement, we have established a Cooperative for the geographic area in which your Business is located, or if we establish a Cooperative in that area during this Agreement's term, you agree to sign the documents we require to become a member of the Cooperative and to participate in the Cooperative as those documents require, including contributing to the Cooperative the amounts required by the Cooperative's governing documents; provided, that your Cooperative contributions will be not less than 1% and not more than 2% of your Gross Sales on an annual basis. You agree to submit to us and the Cooperative any reports that we or the Cooperative require. The Cooperative will operate solely to collect and spend cooperative contributions for the purposes described above. The Cooperative and its members may not use any advertising, marketing or promotional plans or materials without our prior written consent. The payments made pursuant to this section will be credited against your Local Marketing Requirement obligation under Section 8.2 of this Agreement.

8.2 Local Marketing Requirement; Advertising Approvals. You must spend an amount equal to at least \$42,000 during the first Agreement Year during the term of this Agreement on approved advertising and promotion of your Business in the Territory (your "Local Marketing Requirement"), but during your first Agreement year you will receive a credit for the amounts you spend for your Market Entry Campaign. Each year thereafter during the term of this Agreement you agree to spend an amount based on your Gross Sales during the immediately preceding Agreement Year pursuant to the following chart:

Gross Sales During Prior Agreement Year	Minimum Local Marketing Requirement
\$0 to \$500,000	\$42,000
\$500,001 to \$700,000	\$21,000
\$700,001 and above	\$16,800

If you have multiple contiguous Territories under additional franchise agreements with us, then your Local Marketing Requirement for each contiguous Territory will be \$15,000 per contiguous Territory. You agree to conduct all local advertising and promotion of the Business using only the materials and media we approve and to display the Proprietary Marks only in the manner prescribed by this Agreement or the Brand Standards Manuals. You must submit to us for our written approval samples of all proposed advertising and promotional plans and materials not previously reviewed by us within the immediately preceding 6-month period at least 30 days before their intended use. If you do not receive written approval within such 30-day period, the plans and materials you submitted will be deemed not approved. Notwithstanding the above, if you receive written notice from us that any advertising or promotional materials you are using misuse the Proprietary Marks or otherwise violate our standards and specifications, then you agree to promptly discontinue the use of such materials.

8.3 Market Entry Campaign. You agree to conduct a market entry campaign for your Business beginning within a reasonable time prior to and continuing for approximately 3 months following the Opening Date (unless we agree in writing to a different time period) and to spend up to \$24,000 in connection with such market entry campaign. We will consult with you on your market entry campaign, but it will be your sole responsibility to develop and implement this campaign. The required cost of your market entry campaign will be credited against your Local Marketing Requirement under Section 8.2 of this Agreement.

8.4 Promotional Programs. You agree to use your best efforts to encourage Customers to patronize the Business. Without limiting the foregoing, you agree to participate in and comply with the terms of any special sales program or other promotional activity which we may prescribe generally for the System, including, but not limited to, joint advertising and promotional programs.

8.5 Brand Development Fund. Your aggregate obligations to pay a Brand Development Fee and/or Brand Fund Fees will not exceed three percent (3%) of your Gross Sales on Agreement Year basis. The Brand Development Fund and the Brand Fund Activities, including the placement and allocation thereof, will be directed by us or our Affiliates and any of their designees. Brand Fund Activities are intended to promote general public recognition, acceptance and use of Businesses and we, our Affiliates, and their designees make no undertaking to make expenditures for the Business on a basis equivalent or proportionate to the Business's Brand Fund Fees or to ensure that any particular Business benefits directly or proportionately from Brand Fund Activities or expenditures of Brand Fund Fees. Not all Brand Fund Activities will include all Businesses. We and our Affiliates will direct the Brand Fund Activities using Brand Fund Fees to the Brand Development Fund. We and our Affiliates do not hold the Brand Fund Fees as a trustee or as a trust fund, and we and our Affiliates have no fiduciary duty to you with regard to the administration, use, or expenditure of Brand Fund Fees. Brand Fund Fees may be commingled with other money of ours and our Affiliates and used to pay all costs associated with developing, preparing, producing, directing, administering, researching, conducting, and disseminating Brand Fund Activities, as well as the administrative costs and overhead incurred by us or any of our Affiliates with respect to the foregoing (including the cost of salaries and overhead for our and our Affiliates' personnel involved in Brand Fund Activities), and the cost of collecting and accounting for the Brand Fund Fees. We or our Affiliates may loan money to the Brand Development Fund to be used for Brand Fund Activities and Brand Fund Fees may be applied to repay any such loan (or the Business's proportionate share thereof). We reserve the right to charge interest at then-current market rates with respect to such loans. We also reserve the right to terminate or suspend (and, if suspended, to re-activate) the Brand Development Fund and/or establish methods of funding Brand Fund Activities other than payment of the Brand Fund Fees.

9. INSURANCE.

9.1 Insurance Coverage. Not later than 60 days before the Opening Date, you must procure and must maintain in full force and effect at all times during the term of this Agreement, at your expense, an insurance policy or policies protecting you, us, our Affiliates and our and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors and employees against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring at or in connection with the operation of the Business. Such policy or policies will be written by a responsible carrier or carriers rated "A" or better by the A.M. Best Company, Inc. and otherwise reasonably acceptable to us and will include, at a minimum, the following:

(a) Comprehensive General Liability Insurance, including Pesticide and Herbicide Applicators endorsement, broad form contractual liability, broad form property damage, personal injury, completed operations, products liability and fire damage coverage, in the amount of \$1,000,000 combined single limit.

(b) Automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than \$1,000,000 combined single limit.

(c) Worker's compensation insurance in amounts required by applicable law or comparable alternative coverage as permitted by applicable law and satisfactory to us.

(d) "All Risks" coverage for the full cost of replacement of the premises of any Storage Facility and all other property in which we may have an interest with no coinsurance clause for the premises.

(e) any other additional insurance required by the terms of any Lease or lender for the Business.

We may specify additional reasonable coverages and higher policy limits from time to time in writing.

9.3 Deductibles; Waiver Of Subrogation. You may elect to have reasonable deductibles in connection with the coverage required under Section 9.1 (a)-(d) above, in accordance with standards and specifications set forth in the Brand Standards Manuals or otherwise approved by us in writing. Such policies will also include a waiver of subrogation in favor of us, our Affiliates and our and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees.

9.4 Additional Insured Designation. All insurance policies required hereunder, with the exception of workers' compensation, must name us and our Affiliates, and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional insureds, and will expressly provide that their interest will not be affected by your breach of any policy provisions. All public liability and property damage policies will contain a provision that we and our Affiliates, and our and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, although named as insureds, will nevertheless be entitled to recover under such policies on any loss occasioned to them by reason of your negligence or that of your servants, agents or employees.

9.5 Certificates Of Insurance. Upon execution of this Agreement, and thereafter 30 days before the expiration of any policy required hereunder, you must deliver to us certificates of insurance evidencing the existence and continuation of proper coverage with limits not less than those required hereunder. In addition, if we request, you must deliver to us a copy of the insurance policy or policies required hereunder.

All insurance policies required hereunder will expressly provide that no less than 30 days' prior written notice will be given to us in the event of a material alteration to or cancellation of the policies.

9.6 Remedies. In the event you fail to procure or maintain the insurance required by this Agreement, we will have the right and authority (without, however, any obligation to do so) to procure such insurance and to charge the cost of such insurance to you, together with a reasonable fee for our expenses in so acting. Such amounts will be payable by you immediately upon notice. The foregoing remedies will be in addition to any other remedies we may have at law or in equity.

9.7 No Limitation Of Other Obligations. Your obligation to obtain and maintain the foregoing policies in the amounts specified will not be limited in any way by reason of any insurance which may be maintained by us, nor will your performance of that obligation relieve you of liability under the indemnity provisions set forth in Section 6.23 of this Agreement.

10. CONFIDENTIAL INFORMATION.

10.1 Protection of Confidential Information. We and our Affiliates have and will continue to develop and acquire certain Confidential Information relating to the development and operation of Businesses under the System. You agree to treat and maintain as confidential and as our proprietary property and trade secret information all Confidential Information loaned, provided, or otherwise made available to you describing or constituting an element of the System, including but not limited to the Brand Standards Manuals. You acknowledge and agree that you will not acquire any interest in our Confidential Information, other than the right to use the Confidential Information disclosed to you in operating the Business during the term of this Agreement, and that the use or duplication of any Confidential Information in any other business would constitute an unfair method of competition. You agree that you:

- (a) will not use our Confidential Information in any other business or capacity;
- (b) will maintain the absolute confidentiality of our Confidential Information during and after the term of this Agreement and not disclose it to others, except those of your employees or agents who are directly connected with the operation of the Business and who require knowledge thereof, and you will advise such employees or agents of its confidential nature and be responsible for the compliance by such employees or agents with the confidentiality provisions hereof (provided, however, that we will not deem you in default of this Agreement as a result of isolated incidents of disclosure of our Confidential Information by an employee other than an Owner, if you have taken reasonable steps to prevent such disclosure, including, but not limited to the steps a reasonable and prudent owner of confidential and proprietary information would take to prevent disclosure of such information by his employees, and further provided that you pursue all reasonable legal and equitable remedies against such employee for such disclosure of the Confidential Information);
- (c) will not make unauthorized copies of, duplicate, record, translate or otherwise reproduce any portion of our Confidential Information disclosed via electronic medium or in written or other tangible form; and
- (d) will adopt and implement all reasonable procedures that we prescribe from time to time to prevent the unauthorized use or disclosure of our Confidential Information, including, without limitation, restrictions on disclosure thereof to your personnel and others.

10.2 Our Rights in the System. You acknowledge our and our Affiliates' exclusive vested property rights in and to the System and all parts of that System, now or hereafter created or obtained and whether or not constituting protectable intellectual property. All improvements in the System developed during the term of this Agreement (including, any created by you or your Owners or on your behalf by your employees or as works made-for-hire) will be our sole property, and we or our Affiliates may incorporate the same, or any part thereof, in the System and will have the sole right to copyright, register, and/or patent

such improvements. No improvements may incorporate our Confidential Information without our prior written consent, which we may withhold in our sole discretion. You and your Owners agree to cooperate with us to the extent necessary to accomplish the foregoing (including, signing whatever assignment or other documents we request to evidence our ownership or to assist us in securing intellectual property rights in such improvements). If we incorporate improvements developed by you or on your behalf as a part of the System, your use of such improvements during the term of this Agreement will be on the same terms and conditions as other franchisees. If we do not incorporate such improvements as a part of the System, we will nevertheless grant you the right and license to use such improvements in the operation of your Business during the term of this Agreement. Unless such improvement affords the System a competitive advantage, we will also grant you the right and license to use the improvements following the expiration or termination of this Agreement.

11. EXCLUSIVE RELATIONSHIP.

You acknowledge and agree that we would be unable to protect the Confidential Information against unauthorized use or disclosure or to encourage a free exchange of ideas and information among Businesses if our franchisees were permitted to hold interests in or perform services for a Competitive Business. You also acknowledge that we have granted the License to you in consideration of and in reliance upon your agreement that you and your Owners will deal exclusively with us. You therefore agree that, without our prior written consent, during the term of this Agreement, neither you, nor any of your Owners nor any Immediate Family member of you or your Owners will have any direct or indirect interest as a disclosed or beneficial owner in, or perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for, a Competitive Business, located or operating within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which we have used, sought registration of or registered the Proprietary Marks or similar marks or operate or license others to operate a business under the Proprietary Marks or similar marks. The restrictions of Section will not apply to the ownership of publicly-traded Ownership interests that constitute less than five percent (5%) of a class of Ownership interests issued and outstanding.

12. PROPRIETARY MARKS.

12.1 Restrictions on Use of Proprietary Marks. You must use the Proprietary Marks only to carry out your rights and obligations under this Agreement and only in the manner we authorize.

(a) You must use the Proprietary Marks in accordance with the Brand Standards Manuals. Unless otherwise authorized or required by us, you must use the Proprietary Marks without prefix or suffix. Without our prior written consent, you will not use the Proprietary Marks in conjunction with any other name or mark, or in connection with the operation of any business other than the Business.

(b) You must not use the Proprietary Marks to incur any obligation or indebtedness on behalf of us or our Affiliates.

(c) You must not use the Proprietary Marks or any derivation thereof or phonetically similar name as part of your corporate or other legal name.

(d) You will not register or use any Internet domain name, website address or URL (Uniform Resource Locator) in any class, category or top level domain that (i) contains any of the Proprietary Marks or any derivative of the Proprietary Marks, in whole or in part, (ii) contains any words similar to any of the Proprietary Marks, (iii) contains any abbreviation, acronym, phonetic variation or visual variation of any of the foregoing, or (iv) otherwise creates any association with the Proprietary Marks or the System. You will not register or use any of the Proprietary Marks or any derivative of the Proprietary Marks as any part of any username on any gaming website, social media website, or as part of any unauthorized email address.

(e) Any unauthorized use or attempted sublicense by you of any of the Proprietary Marks will constitute an infringement of our rights.

12.2 Fictitious Name Filings. You must file and maintain all trade name or fictitious or assumed name registrations as required by applicable laws.

12.3 No Contest of Ownership. During and after the term of this Agreement, you must not directly or indirectly contest the validity of any of the Proprietary Marks, our and/or our Affiliates' ownership of the Proprietary Marks, or our and/or our Affiliates' right to use and license others to use the Proprietary Marks. You agree to execute any documents we deem necessary to obtain or maintain protection for the Proprietary Marks anywhere in the world.

12.4 Notice of Unauthorized Use. You must promptly notify us of any unauthorized use of the Proprietary Marks and of any challenge to (a) the validity of the Proprietary Marks; (b) our and/or our Affiliates' ownership of the Proprietary Marks; (c) our right to use and to license others to use the Proprietary Marks; or (d) your right to use the Proprietary Marks. You acknowledge that we and/or our Affiliates have the sole right to initiate, direct, and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. We and/or our Affiliates have the sole right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. If we and/or our Affiliates undertake the defense or prosecution of any action relating to your use of the Proprietary Marks, you will execute any and all documents and do such acts as may be necessary, in our opinion and/or that of our Affiliates, to carry out such defense, prosecution, or settlement, including, but not limited to, becoming a nominal party to any legal action.

12.5 Substitution of Proprietary Marks. We reserve the right, in our sole discretion, upon reasonable notice, to discontinue any Proprietary Mark or substitute different proprietary marks for the Proprietary Marks used in identifying the Business operating under the System. At your expense, you will promptly cease using any Proprietary Mark we discontinue and promptly begin using any proprietary marks we substitute for use in the System.

13. TRANSFER.

13.1 Transfer by Us. We may transfer or assign this Agreement or any part of our rights or obligations under this Agreement to any person or legal entity. You agree that we will have no liability after the effective date of such transfer or assignment for the performance of any obligations under this Agreement.

13.2 Transfer by You. You acknowledge that the rights and duties created by this Agreement are personal to you (or, if you are a corporation, limited liability company or partnership, to your Owners) and that we have granted the License to you in reliance upon our perceptions of your (or your Owners') individual or collective character, skill, aptitude, attitude, business ability and financial capacity. Accordingly, neither you nor your Owners may Transfer (i) any of your rights or obligations under this Agreement, (ii) all or substantially all of the assets of the Business, or (iii) any direct or indirect Ownership interest in or voting control of you except in compliance with this Agreement. Except as otherwise permitted hereunder, your rights under this Agreement and your interest in the Business may be transferred only as part of a Transfer of all such rights and interests. Any attempted Transfer in violation of this Section will constitute a breach of this Agreement and will be void.

13.3 Transfer by Minority Owners. If a Minority Owner wishes to transfer its interest in you, the Minority Owner must give us written notice of the proposed Transfer at least 30 days in advance, together with the name of the proposed transferee and the percentage interest in you which is the subject of the Transfer. The proposed Transfer may be completed without our consent, if the following requirements are satisfied:

(a) The Minority Owner must execute a general release, in a form satisfactory to us, of all claims against us, our Affiliates, and our and their respective officers, directors, shareholders, and employees, past and present, in their corporate and individual capacities;

(b) The proposed transferee must execute a commitment and covenant in substantially the form of Exhibit D-2 to comply with those provisions of this Agreement applicable to Minority Owners; and

(c) Neither the proposed transferee nor any of its owners are, or are associated with, a Competitive Business or any person who is reasonably likely, in our judgment, to impair the goodwill associated with the System and the Proprietary Marks.

You will not be required to execute a new franchise agreement upon a Transfer by a Minority Owner in accordance with this Section.

13.4 Transfers by You and Your Principal Owners. Neither you nor any of your Principal Owners may Transfer any interest described in Section 13.2(i)-(iii) without our prior written consent. You and your Principal Owners agree to provide us with a Notice of Transfer for all proposed Transfers. No Transfer may be completed until at least 30 days after the Effective Transfer Notice Date. Our consent to a Transfer will not be unreasonably withheld; however, as a condition to such consent we may require the satisfaction of certain conditions, including the following:

(a) You are in Good Standing;

(b) The proposed transferee submits all information we may reasonably request in order to enable us to evaluate whether the proposed transferee has sufficient business experience, aptitude and financial resources to operate the Business and otherwise meets our then-current standards and qualifications to become a Franchisee;

(c) At our option, the proposed transferee and its owners, must execute the form of franchise agreement that we are then-currently offering to new franchisees under the System, which will supersede this Agreement in all respects and which may include, among other things, different fees, except that the term will end on the expiration date of this Agreement;

(d) The transferor or the proposed transferee will pay us a transfer fee in an amount equal to \$10,000 (such fee to be paid even if the proposed Transfer is not approved by us or consummated by you). You must also pay any commissions due to a franchise seller, if applicable, before we will permit the transfer;

(e) The principal owners of the proposed transferee must execute a guaranty of the transferee's performance of its obligations under the franchise agreement;

(f) You and your Owners must execute a general release, in a form satisfactory to us, of all claims against us, our Affiliates, and our and their respective officers, directors, shareholders, and employees, past and present, in their corporate and individual capacities;

(g) You will remain liable for all of your obligations to us in connection with the Business which arose prior to the effective date of the Transfer; and you and your Owners will remain liable for all obligations under this Agreement that survive the Transfer, including, as applicable, the covenants against competition and the disclosure of our Confidential Information, your indemnity obligations, and the dispute resolution provisions of this Agreement, and you and your Owners must execute any and all instruments reasonably required by us to evidence such continuing liability;

(h) The proposed transferee (or, if the transferee is a corporation, partnership, or limited liability company, such owners or other personnel of the transferee as may be acceptable to us), must complete any training programs then in effect for new franchisees under the System at the transferee's expense;

(i) The proposed transferee, at its own expense, must conform the signs, equipment, supplies and other physical facilities of the Business to the then-current standards of the System;

(j) If you or your Owners finance any part of the sale price, you and/or your Owners must agree that all of the transferee's obligations pursuant to any promissory notes, agreements or security interests that you or your Owners have reserved in the Business are subordinate to the transferee's obligation to pay Royalty Fees and other amounts due to us and otherwise to comply with this Agreement;

(k) Neither the proposed transferee nor any of its owners are, or are associated with, a Competitive Business or any person who is reasonably likely, in our judgment, to impair the goodwill associated with the System and the Proprietary Marks; and

(l) You and your transferring Owners have agreed that you and they will not directly or indirectly at any time or in any manner (except with respect to other Businesses you own and operate) promote or market yourself or your business as a current or former Business, or as one of our current or former franchisees; use any Proprietary Mark, any colorable imitation thereof or other indicia of a Business in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us.

13.5 Transfer for Convenience of Ownership. If you are one or more individuals and you propose to transfer the franchise to a corporation or other entity formed solely for the convenience of ownership, our consent may be conditioned upon any of the requirements in Section 13.4., except that Sections 13.4.(c), (d), (f), (h) and (i) will not apply. In any transfer for the convenience of ownership, you will be the owner of all the voting stock or ownership interests in the new entity, or, if you are more than one individual, each individual will have the same proportionate ownership interest in the new entity as he or she had in you prior to the transfer.

13.6 Our Right of First Refusal. Except for Transfers subject to Section 13.3, 13.5 and Transfers to an existing Owner or to an Immediate Family member of an existing Owner, upon a proposed Transfer by you or your Owners which is subject to Sections 13.2, 13.4, or Section 13.7 of this Agreement, we will have the right, exercisable within 30 days after the Effective Transfer Notice Date, to send written notice to the transferor that we or our designee intend to purchase the interest proposed to be Transferred for a price no greater than, and on the same terms and conditions as set forth, in the Notice of Transfer, except that (i) we will not be required to comply with any term or condition which is imprudent or commercially impracticable including, but not limited to, related party transactions, the payment of broker's commissions or finder's fees, or the reimbursement of expenses incurred by either party, (ii) we may substitute cash for any non-cash consideration proposed in the Notice of Transfer, (iii) our credit will be deemed equal to the credit of any proposed purchaser, (iv) we will have at least 60 days after giving notice of our election to purchase to prepare for closing, and (v) we are entitled to receive, and you and your Owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a corporation, partnership or limited liability company, as applicable, including, without limitation, representations and warranties as to (A) the ownership and condition of and title to stock or other forms of ownership interest and/or assets, (B) liens and encumbrances relating to the stock or other forms of ownership interest and/or assets; and (C) the validity of contracts and the liabilities, contingent or otherwise, of the Business. If the parties cannot agree within 30 days on the reasonable cash equivalent for any non-cash portion of the consideration, an independent appraiser will be designated by us at our expense, and the appraiser's determination will be binding. Any material change in the terms of the offer from a third party after we have elected not to exercise our right of first refusal will constitute a new offer subject

to the same rights of first refusal by us as in the case of an initial offer. Our right of first refusal described in this Section will in no way modify or diminish our right to withhold consent to a Transfer under Section 13.4 or Section 13.7.

13.7 Transfer on Death or Incapacity.

(a) The provisions of Sections 13.2, 13.3, 13.4 and 13.6 will govern Transfers following the death of an individual franchisee or Owner except as set forth herein. Within not more than fifteen (15) days following the death of any individual franchisee or Owner, the executor, administrator, attorney-in-fact, or personal representative of the deceased (the “deceased’s representative”) will submit to us the name and contact information for the individual who will manage the Business from the date of death until completion of the Transfer required hereby. Within not more than 30 days following the date of death, the deceased’s representative will submit a Notice of Transfer to us. If the proposed transferee is the deceased’s heir and the heir is unable to meet the conditions for Transfer set forth in Section 13.3 or 13.4, the deceased’s representative will Transfer the deceased’s interest to a third party meeting such requirements, as applicable, within 90 days following the date of death, subject to our right of first refusal under Section 13.6; provided, that for this purpose, the purchase price of the interest subject to Section 13.6 will be the fair market value of the interest. If we and the deceased’s representative cannot agree within 30 days on the fair market value of the interest, an independent appraiser approved by us and the deceased’s representative will be designated, and the appraiser’s determination will be binding. The cost of such appraiser will be borne equally by both parties. Any dispute regarding the selection of the appraiser will be subject to the dispute resolution provisions in Section 17. If we decline to exercise our right of first refusal, any subsequent Transfer to a third party will again be subject to the conditions for Transfer set forth in Sections 13.2, 13.3, 13.4, and 13.6.

(b) This Agreement will terminate if (i) an individual franchisee or (ii) all of your Principal Owners who are actively involved in the management of the Business, become disabled or are otherwise incapacitated, and this Agreement or the Principal Owners’ interest, as applicable, is not transferred in accordance with Sections 13.2, 13.3, 13.4 and 13.6 within 90 days following the date such disability or incapacity is determined. Disability or incapacity will be determined at our expense by a licensed practicing physician we select, upon examination of the person; provided, that if the person refuses to submit to an examination, then the person automatically will be deemed permanently disabled as of the date of such refusal. For the purposes of this Section, “disability or incapacity” means any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the Guaranty of Payment and Performance attached as Exhibit D-1 for a period of at least 30 consecutive days or for at least forty-five (45) days during a period of seventy-five (75) consecutive days, and (ii) “actively involved in the management of the Business” means involvement in the day to day operations of the Business or the exercise of authority over major business decisions related to the Business.

(c) At all times following the death or incapacity of an individual franchisee or Owner, the Business will be operated in accordance with this Agreement and the Brand Standards Manuals. Any failure to do so will constitute a breach of this Agreement and will be grounds for termination.

13.8 Securities Offerings. Interests in you will not be offered to the public by private or public offering without our prior written consent, which will not be unreasonably withheld. As a condition of our consent, we may, in our sole discretion, require that those of you Owners who own an interest in you immediately prior to the offering retain a Controlling Interest in you after the offering. You will give us written notice at least 30 days prior to the commencement of any offering covered by this Section. All offering materials will be submitted to us for review prior to being filed with any governmental agency or distributed for use. Our review of the offering materials will be limited solely to the subject of the relationship between us. No offering will imply that we are participating in an underwriting, issuance or offering of securities. We may require the offering materials to contain a written statement prescribed by us concerning our relationship. You, your Owners and the other participants in the offering must fully indemnify us, our Affiliates, and our and their respective officers, directors, shareholders, partners, agents,

representatives, independent contractors, servants and employees, past and present, in connection with the offering. For each proposed offering, you will reimburse us for our reasonable costs and expenses (including, without limitation, legal and accounting fees) associated with reviewing the offering materials.

14. DEFAULT AND TERMINATION.

14.1 Termination by Us. We may terminate this Agreement for cause which includes, but is not limited to, the specific defaults listed in Sections 14.2 and 14.3 below. The description of the default in any notice provided by us to you will not preclude us from specifying additional or supplemental defaults in any action, hearing or suit relating to this Agreement or the termination of this Agreement.

14.2. Termination Upon Notice. This Agreement will terminate immediately upon delivery of notice to you, without any opportunity to cure:

(a) If you abandon or fail actively to operate the Business for 5 or more consecutive business days, unless the Business has been closed for a purpose we have approved or because of an event of force majeure;

(b) If you or any of your Owners are convicted of, or plead guilty or no contest to, a felony or any other crime or offense or engage in any misconduct (including any dishonest or unethical conduct) that may adversely affect the reputation of the System, or the goodwill associated with the Proprietary Marks;

(c) If you or any of your Owners make any unauthorized use or disclosure of any Confidential Information in violation of this Agreement, or violate the provisions of Section 11 regarding the exclusivity of your relationship with us during the term of this Agreement;

(d) If you or any of your Owners engage in any Transfer or attempted Transfer which does not comply with the terms of Section 13 of this Agreement or upon the death or incapacity of an individual franchisee or Owner, if a Transfer is not effected as set forth in Section 13.7 of this Agreement;

(e) If you or one of your Principal Owners makes a general admission of an inability to pay your or their debts or obligations as they become due; if a receiver or trustee is appointed for the Business; if a petition in bankruptcy is filed by or against you; or if you make an assignment for the benefit of creditors;

(f) If you or any of your Owners makes any material misrepresentation or omission of a material fact in the information furnished by you to us in connection with your application for this Agreement, or in this Agreement, or any other agreement with us or our Affiliates;

(g) If you are a corporation, partnership, limited liability company or other legal entity, upon the date your legal existence will cease;

(h) If you are in default 3 times within 18 months for failure to comply with any of the requirements imposed by this Agreement, whether or not the defaults are cured;

(i) If you submit any report to us which understates your Gross Sales, Royalty Fees, Brand Development Fees, or local marketing expenditures by more than five percent (5%) or you under-report such Gross Sales, Royalty Fees, Brand Development Fees, or local marketing expenditures by less than 5% 2 times within 12-month period;

(j) If you lease a Storage Facility or relocate an existing Storage Facility without our prior written approval.

14.3. Termination Following Cure Period. We may terminate this Agreement upon delivery of notice to you and effective upon expiration of the applicable cure periods set forth below:

(a) If your Owners or other personnel designated by us to complete training fail to complete our Initial Training Program to our satisfaction and fail to cure within 30 days after written notice is delivered to you;

(b) If you or any of your Owners make any unauthorized use of the Proprietary Marks, (including, but not limited to, unauthorized use of the Proprietary Marks as part of a website domain name or electronic address or as part of information available on such website) or challenge or seek to challenge the validity of the Proprietary Marks, and fail to cure within 72 hours, after written notice thereof is delivered to you;

(c) Unless you are in good faith contesting your liability for such Taxes, if you fail to pay when due any Taxes due with respect to the operations of the Business and fail to cure within 30 days after written notice is delivered to you;

(e) If you fail to maintain continuously throughout the term of this Agreement all insurance coverages required by this Agreement, and fail to cure within 5 days after written notice is delivered to you in such a manner that there is no longer any lapse in coverage and which do not result in any loss or damage to us or our Affiliates;

(f) If you violate any safety law, ordinance or regulation (including, without limitation, any applicable federal, state or local licensing requirement for pest control businesses and/or the application of insecticides) and do not begin to correct such noncompliance or violation immediately, and completely correct such noncompliance or violation within 72 hours, after written notice thereof is delivered to you;

(g) If you fail to make payments of any amounts due to us or our Affiliates (including payment under your Promissory Note, if applicable) or fail to spend the full Local Marketing Requirement during any Agreement Year, and do not correct such failure within 10 days after written notice of such failure is delivered to you;

(h) If you fail to furnish us access to conduct the inspections and audits contemplated by this Agreement and do not correct such failure within 3 days after notice to you;

(i) If you fail to comply with any notification, investigation and/or remediation requirements implemented by us during any Crisis Management Event, and/or fail to cure such default within 48 hours after we notify you in writing of the remedial action to be taken.

(j) If you fail to comply with any other provision of this Agreement or any other agreement with us or our Affiliates and do not correct this failure within 30 days after delivery of notice to you.

14.4 Additional Remedies. Instead of terminating this Agreement under Sections 14.2 or 14.3, upon your default we may elect to sever a portion of your Territory. If we elect to exercise these additional remedies, you agree that you will continue to operate the Business in accordance with this Agreement, as so modified. Our exercise of any of our remedies under this Section will not constitute a waiver by us to exercise our option to terminate this Agreement at any time with respect to a subsequent event of default of a similar or different nature.

15. YOUR OBLIGATIONS AFTER TERMINATION OR EXPIRATION.

15.1 Post Term Obligations. Upon the expiration or termination of this Agreement for any reason, all your rights hereunder will terminate, and:

(a) You must immediately and permanently cease to use the System, the Proprietary Marks and all other distinctive forms, slogans, signs, symbols, and devices associated with the System, including, without limitation, all signs, advertising materials, displays, stationery, forms, and any other articles which display any of the Proprietary Marks;

(b) You must take such action as may be necessary to cancel any fictitious or assumed name or equivalent registration which contains any of the Proprietary Marks and will furnish us with evidence satisfactory to us of compliance with this obligation within 5 days after termination or expiration of this Agreement;

(c) You must immediately return to us any and all of our Confidential Information, including all Customer Information (as provided in Section 10.2(b)), the Brand Standards Manuals and all computer Software, bulletins, procedures, lists of accounts, and other confidential materials that are in your possession or control. You must also promptly return to us any and all advertising materials, forms and other items bearing the Proprietary Marks;

(e) Unless we exercise our option assign to us or our designee all Storage Facility leases, vehicle leases, and all licenses and permits related to the operation of the Business, you must immediately begin to make and must complete within 10 days such modifications or alterations to your vehicles as may be necessary to distinguish their appearance from that of a Business, and will make such specific changes as we may reasonably request for that purpose. Until all modifications and alterations required hereunder are completed, you must take all such actions as we may reasonably require to advise all Customers and prospective Customers that you are no longer associated with the System. You expressly acknowledge that your failure to make such alterations will cause us irreparable injury;

(f) If you continue to operate or subsequently begin to operate any other business, you must not use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks in connection with the promotion or operation of such other business that is likely to cause confusion, mistake, or deception, or that is likely to dilute our and/or our Affiliates' rights in and to the Proprietary Marks. You further agree not to use any designation of origin or description or representation that falsely suggests or represents an association or connection with us and will not hold yourself out as a present or former franchisee under the System;

(g) On the effective date of the expiration or termination of this Agreement, or on such later date that the amounts due are determined, you must pay all amounts you owe to us, our Affiliates and other franchisees under the System. You will have no interest in, or right of offset with respect to, any funds we have collected for any special sales promotion or other program, whether or not such funds we have expended those funds at the time of expiration or termination;

(h) At our option, you must assign to us or our designee all Storage Facility leases, vehicle leases, and all licenses and permits related to the operation of the Business, and will assist us in obtaining any necessary consents to such assignment. If we elect to acquire the foregoing assets, we also agree to purchase, and you agree to sell to us, any related real property, leasehold improvements, equipment, vehicles and supplies integral to the operation of the Business. The purchase price for the assets will be equal to the sum of (i) the net book value of the tangible assets of the Business, calculated using generally accepted accounting principles, on the basis of the latest financial statements for the Business and (ii) the fair market value of the real property of the Business. If you or we cannot agree within 30 days on the fair market value of the real property, an independent appraiser approved by you and us will be designated, and the appraiser's determination will be binding. The cost of such appraiser will be borne equally by the parties. Any dispute regarding the selection of the appraiser will be subject to the dispute resolution provisions in this Agreement. We must exercise our rights under this Section by written notice to you delivered within 60 days following the termination or expiration of this Agreement. Closing will take place on or before 90 days following the date on which we notify you whether or not we are

exercising our options. We will be entitled to all customary warranties and representations in connection with the assignments and purchases contemplated hereby, including, without limitation, representations and warranties as to ownership and condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise; and

(i) At our option, assign to us all rights to the telephone numbers of the Business and any related Yellow Pages listings and execute all forms and documents required by us and any telephone company at any time to transfer such service and numbers to us. You must in any event use different telephone number at or in connection with any subsequent business you conduct.

15.2 Compliance With Post-Term Obligations. If you fail or refuse to comply with the requirements of Section 15.1, we will have the right to enter any of your former Storage Facility or other premises used in your former Business, without liability for trespass, for the purpose of making or causing to be made such changes as may be required to comply with such obligations. All such changes will be at your expense, which you agree to pay on demand. You hereby irrevocably appoint us as your attorney-in-fact for the sole purpose of carrying out your obligations upon the termination or expiration of this Agreement. This power of attorney will survive the expiration or termination of this Agreement.

15.3 Non-Competition Obligations. You acknowledge that, as a franchisee under the System, you will receive our Confidential Information, know-how and other market information that is proprietary to us and is not generally available in the marketplace and that gives us and our franchisees a competitive advantage. Therefore, for 2 years after the expiration or termination of this Agreement or the effective date of an approved Transfer of this Agreement, you and your Owners will not directly or indirectly own any interest in, manage, be employed by, advise, assist, or participate in the operation of any Competitive Business which is located (i) within the Territory, or (ii) within 50 miles of the perimeter of the Territory, or (iii) within 50 miles of the perimeter of the territory of any other franchised Business. In the event any dispute regarding the enforceability of this Section is resolved in our favor, the 2-year period (or such other period as may be deemed reasonable by the court) will run from the later of the date of the order permitting its enforcement, or the date you comply with this Section.

15.4 Liquidated Damages. If this Agreement is terminated for any reason, we will be entitled to pursue all remedies whether legal, equitable, or statutory, to compensate us for the damages we incur as a result of such termination. In determining our damages or compensation, a court, arbitrator, or other trier of fact must consider that you have agreed to operate the Business in compliance with this Agreement for the full period of the initial term or any subsequent renewal term, and you acknowledge that should you fail to do so, we would be damaged in several ways, including (i) loss of future Royalty Fees and Brand Development Fees; (ii) loss of the System representation in the territory served by the Business; (iii) confusion of consumers; (iv) injury to the goodwill in the Proprietary Marks; and (v) lost opportunities to operate or franchise Businesses in the territory served by your Business. You acknowledge that it will be difficult to estimate the revenues of the Business over a period of years, and that elements of our damages not directly calculated from the Business' revenues also will be difficult to calculate, and that such damages are real and meaningful to us, and the proof thereof would be burdensome and costly. We and you agree that the liquidated damages, as set forth below, are not a penalty and represent a reasonable estimate of our just and fair compensation for the damages that we would suffer. Accordingly, if this Agreement is terminated for any reason, you must promptly pay to us, in addition to any amounts otherwise payable to us, liquidated damages in an amount equal to the following:

A. If the Business has been operating as a Business for at least 1 year, the sum of the average of the monthly Brand Development Fee, Technology Fee, and Royalty Fee payable to us under this Agreement over the immediately preceding 1 year, multiplied by the number of months that would then otherwise remain in the then-current term of this Agreement; or

B. If the Business was not opened with our authorization or has not been operating as a Business for at least 1 year and this Agreement is terminated, you must promptly pay to us liquidated damages in an amount equal to \$50,000.

In addition to such damages, we will have the right to recover reasonable attorneys' fees and court costs incurred in collecting such sums, plus interest on all amounts due pursuant to this Section from the date of such termination until paid.

Any demand for payment of liquidated damages under this Agreement does not constitute an election of remedies and any payments received will be in addition to and not in lieu of any other remedies available to Us at law or in equity.

16. YOUR ACKNOWLEDGMENTS AND AGREEMENTS.

We have approved your application for the License in reliance on the materials you have submitted and the statements you have made to us in connection with your application for the purchase of this License. As an inducement to our entry into this Agreement, you represent to us that all of those materials and statements are complete and accurate, and do not contain any misrepresentations or material omissions and, for yourself and your Owners, you acknowledge and agree as follows:

16.1 Disclosure/Reliance. You received a complete copy of this Agreement and all related exhibits and our Franchise Disclosure Document.

16.2 Our Other Business Interests. You acknowledge that we and our Affiliates have and may in the future have business interests other than the operation of the Business (including, without limitation, interests in other product lines, distribution channels and businesses) and that we, in our sole discretion, may identify, define, and act upon such interests in the manner we deem appropriate. You further acknowledge that business decisions made by us and our Affiliates may impact you and agree that we and our Affiliates have no express obligation or implied duty to protect you from the consequences of such business decisions. You expressly waive any right to assert any claim against us or our Affiliates based on the existence, actual or arguable, of any such obligation or duty.

16.3 Anti-Terrorist Activities. You certify that neither you nor your Owners, employees or anyone associated with you are listed in the Annex to Executive Order 13224 (<http://www.treas.gov/offices/enforcement/ofac>). You agree not to hire or have any dealings with a person listed in the Annex. You certify that you have no knowledge or information that, if generally known, would result in you, your owners, employees, or anyone associated with you being listed in the Annex to Executive Order 13224. You agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, you certify, represent, and warrant that none of your property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that you and your owners are not otherwise in violation of any of the Anti-Terrorism Laws. You are solely responsible for ascertaining what actions you must take to comply with all such Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities as provided in this Agreement pertain to your obligations under this Section. Any misrepresentation by you under this Section or any violation of the Anti-Terrorism Laws by you, your owners, or employees will constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or one of our affiliates. As used herein, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

17. DISPUTE RESOLUTION.

17.1 MEDIATION. EXCEPT FOR ACTIONS WHICH WE MAY BRING IN ANY COURT OF COMPETENT JURISDICTION (i) FOR MONIES OWED, (ii) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF, OR (iii) INVOLVING THE POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, THE PROPRIETARY MARKS, OR OUR CONFIDENTIAL INFORMATION, YOU AND WE AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN US OR ANY OF OUR AFFILIATES (AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND YOU (AND YOUR OWNERS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES, AS APPLICABLE) ARISING OUT OF OR RELATED TO (a) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US AND YOU, (b) OUR RELATIONSHIP WITH YOU, (c) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US AND YOU, OR (d) ANY SYSTEM STANDARD, TO MEDIATION PRIOR TO BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL. THE MEDIATION WILL BE CONDUCTED BY EITHER AN INDIVIDUAL MEDIATOR OR A MEDIATOR APPOINTED BY A MEDIATION SERVICES ORGANIZATION OR BODY EXPERIENCED IN THE MEDIATION OF DISPUTES BETWEEN FRANCHISORS AND FRANCHISEES, AS AGREED UPON BY YOU AND US AND, FAILING SUCH AGREEMENT WITHIN A REASONABLE PERIOD OF TIME (NOT TO EXCEED FIFTEEN (15) DAYS) AFTER EITHER YOU OR WE HAVE NOTIFIED EACH OTHER OF YOUR OR OUR DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION (“AAA”) IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION. MEDIATION WILL BE HELD AT AN OFFICE OF THE AAA LOCATED NEAREST TO DALLAS, TEXAS. THE COSTS AND EXPENSES OF MEDIATION, INCLUDING THE COMPENSATION AND EXPENSES OF THE MEDIATOR (BUT EXCLUDING ATTORNEYS’ FEES INCURRED BY EITHER YOU OR US), WILL BE BORNE BY YOU AND US EQUALLY. IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN 90 DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY YOUR AND OUR MUTUAL WRITTEN AGREEMENT, EITHER YOU OR WE MAY BRING A LEGAL PROCEEDING UNDER SECTION 17.2, BELOW.

17.2 JURISDICTION AND VENUE. ANY AND ALL CLAIMS, CONTROVERSIES OR DISPUTES SUBJECT TO SECTION 17.1 WHICH ARE NOT FINALLY RESOLVED THROUGH MEDIATION AS PROVIDED ABOVE, WILL BE COMMENCED, FILED AND LITIGATED, IF AT ALL, IN THE STATE OR FEDERAL JUDICIAL DISTRICT IN WHICH DALLAS, TEXAS IS LOCATED, AND WE AND YOU AND YOUR OWNERS HEREBY IRREVOCABLY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION, CONVENIENCE OF FORUM AND VENUE FOR PURPOSES OF CARRYING OUT THIS PROVISION. NOTWITHSTANDING THE FOREGOING, WE MAY BRING ANY ACTION (i) FOR MONIES OWED, (ii) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF OR (iii) INVOLVING POSSESSION OR DISPOSITION OF, OR OTHER RELIEF RELATING TO, REAL PROPERTY, THE PROPRIETARY MARKS, OR THE CONFIDENTIAL INFORMATION, IN ANY STATE OR FEDERAL DISTRICT COURT WHICH HAS JURISDICTION.

17.3 JURY TRIAL WAIVER. WE, YOU AND YOUR OWNERS IRREVOCABLY WAIVE TRIAL BY JURY, REGARDLESS OF THE FORUM, IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY US, YOU OR YOUR OWNERS AGAINST THE OTHER IN CONNECTION WITH THIS AGREEMENT.

17.4 Governing Law. In order to effect its uniform interpretation, this Agreement will be interpreted and construed under the laws of the state of Texas, without regard to the application of Texas conflict of law rules.

17.5 Remedies. No right or remedy conferred on or reserved to us or you by this Agreement is exclusive of any other right or remedy. You acknowledge that we may seek preliminary or permanent injunctive relief or declaratory relief if you violate or threaten to violate any provision of this Agreement, without being required to furnish a bond or other security. You agree that any cause of action arising from or relating to this Agreement and any guarantees hereof, undertakings hereunder provided and the relationship established thereby shall be conducted on an individual basis, and not as part of a common, consolidated or class action.

17.6 **CONSEQUENTIAL AND PUNITIVE DAMAGES; LOST PROFITS. EXCEPT FOR CLAIMS BROUGHT BY US WITH REGARD TO (I) ANY MISREPRESENTATION OR OMISSION MADE BY YOU OR YOUR OWNERS UNDER THIS AGREEMENT OR IN ANY APPLICATION THEREFOR, (ii) YOUR OBLIGATIONS TO PROTECT OUR CONFIDENTIAL INFORMATION, OR (iii) YOUR OBLIGATIONS TO INDEMNIFY US UNDER THIS AGREEMENT, THE PARTIES WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, SPECIAL AND CONSEQUENTIAL DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF ANY ACTION BETWEEN THE PARTIES, THE PARTIES BRINGING THE ACTION WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY DIRECT OR GENERAL DAMAGES IT SUSTAINS; PROVIDED, HOWEVER THAT WE WILL HAVE THE RIGHT TO SEEK AND RECOVER LOST PROFITS AND/OR ALL APPLICABLE LIQUIDATED DAMAGES AFFORDED UNDER THIS AGREEMENT IN THE EVENT OF TERMINATION OF THIS AGREEMENT.**

17.7 **LIMITATIONS OF CLAIMS. EXCEPT FOR CLAIMS BROUGHT BY US WITH REGARD TO (i) ANY MISREPRESENTATION OR OMISSION MADE BY YOU OR YOUR OWNERS UNDER THIS AGREEMENT OR IN ANY APPLICATION THEREFOR, (ii) YOUR OBLIGATIONS TO PROTECT OUR CONFIDENTIAL INFORMATION, OR (iii) YOUR OBLIGATIONS TO INDEMNIFY US UNDER THIS AGREEMENT, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP OF YOU AND US PURSUANT TO THIS AGREEMENT WILL BE BARRED UNLESS AN ACTION IS COMMENCED WITHIN 2 YEARS AND ONE DAY FROM THE DATE ON WHICH THE ACT OR EVENT GIVING RISE TO THE CLAIM OCCURRED, OR 2 YEARS AND ONE DAY FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST.**

17.8 Enforcement Costs. You must pay us all damages, costs, and expenses (including legal and court costs and reasonable legal fees) that we incur in enforcing our rights under this Agreement, including, without limitation those incurred in obtaining injunctive or other relief.

18. GENERAL PROVISIONS.

18.1 Independent Contractor. This Agreement does not create a fiduciary relationship between us; you are an independent contractor; and nothing in this Agreement is intended to make either of us an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. Nothing in this Agreement authorizes you to make any contract, agreement, warranty, or representation on behalf of, or to incur any debt or other obligation in our name or in the name of any of our Affiliates. We and our Affiliates assume no liability for and will not be deemed liable as a result of any such action, nor will we or they be liable by reason of any of your acts or omissions or for any claim or judgment arising from any such act or omission.

18.2 No Guaranties. We make no warranties or guaranties and assume no liability or obligation to you by providing any waiver, approval, consent, or suggestion to you in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor. We have no obligation to grow the

franchise system or reach any particular level of territories, and are not liable to you if we do not grow the franchise system.

18.3 No Waiver. No delay or failure by us to exercise any right under this Agreement or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, will constitute a waiver of our right to exercise such right or to demand exact compliance by you with any of the terms hereof. Our waiver of any particular default by you will not affect or impair our rights with respect to any subsequent default of the same, similar, or a different nature. Subsequent acceptance by us of any payments due to us hereunder, if any, will not be deemed to be a waiver by us of any preceding breach by you of any of the terms, covenants, or conditions of this Agreement.

18.4 Notice. Any and all notices required or permitted under this Agreement will be in writing and will be personally delivered, sent by expedited delivery service, or sent by electronic mail to the respective parties to the addresses set forth in Exhibit A unless and until a different address has been designated by written notice to the other party. Any notice will be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service on the next business day, or, electronic mail, upon transmission (provided no error message received following transmission).

18.5 Entire Agreement. This Agreement and the Exhibits hereto constitute the entire Agreement between us and you concerning the subject matter hereof and supersede all prior agreements, negotiations, representations, and correspondence concerning the same subject matter; provided, however, that nothing in this or any related agreement will disclaim or require you to waive reliance on any representation that we made in the most recent franchise disclosure document (including its exhibits and amendments) that we delivered to you or your representative, subject to any agreed-upon changes to the contract terms and conditions described in that franchise disclosure document and reflected in this Agreement (including any riders or addenda signed at the time as this Agreement). Except for those changes permitted to be made unilaterally by us hereunder, no modification of or variance from this Agreement will be binding on either you or us unless set forth in a written amendment executed by your and our authorized officers or agents.

18.6 Severability. If, for any reason, any provision of this Agreement is determined to be invalid or in conflict with any existing or future law or regulation by a court or agency having valid jurisdiction, such invalidity will not impair the operation of or have any other effect upon such other provisions as may remain otherwise intelligible. The latter will continue to be given full force and effect, and the invalid provisions will be deemed not to be a part of this Agreement. If any promise or covenant of this Agreement is determined by a court of competent jurisdiction to be unreasonable and unenforceable as written but enforceable to a lesser extent, you agree to be bound by the lesser promise or covenant imposing the maximum duty permitted by law.

18.7 Successors. Subject to the provisions of this Agreement relating to Transfers, this Agreement is binding upon and inures to the benefit of your and our permitted successors, assigns, heirs and personal representatives.

18.8 Survival. The obligations in this Agreement which, by their terms, contemplate or require performance after the expiration, termination or transfer of this Agreement or any direct or indirect interest therein will be enforceable notwithstanding the expiration, termination, or transfer of this Agreement or any such direct or indirect interest herein.

18.9 Third Party Beneficiary. This Agreement is not intended to benefit any other person except you and us and no other person will be entitled to any rights under this Agreement as a third-party beneficiary or otherwise.

18.10 Construction. All references in this Agreement to the singular will apply to the plural where appropriate, and all references to the masculine will include the feminine. If any applicable law or rule requires a longer notice period than that stated in this Agreement, the notice requirements found in the applicable law or rule will be substituted for those found in this Agreement. Time will be considered of the essence for each provision of this Agreement.

18.11 Authority of the Parties and their Representatives. In all of their dealings with you, our officers, directors, employees and agents are acting only as our representatives and not in an individual capacity. All business dealings between you and those persons under or in connection with this Agreement are only between you and us. If at any time during the term of this Agreement you are a corporation, limited liability company, general or limited partnership, or other type of legal entity, you agree that:

(a) You are duly organized or formed, validly existing and in good standing under the laws of the state of your organization or formation and are duly qualified and authorized to do business in each jurisdiction where your business activities require qualification;

(b) You will have the authority to execute, deliver and perform your obligations under this Agreement;

(c) You have provided to us true and correct copies of your organizational documents or partnership or limited liability company agreement. Such documents state that the issuance and transfer of Ownership interests in you are restricted by the terms of this Agreement, and your share certificates and other documents representing Ownership interests in you will bear a legend referring to those restrictions;

(d) Your Owners and their Ownership interests in you are completely and accurately described in Exhibit B to this Agreement, and you and your Owners will sign and deliver to us any revisions to Exhibit B that may be necessary to reflect any changes to that information;

(e) Upon our request, you will provide to us such other information about your organization or formation and any and all loan or other documents regarding the financing of the Business as we may require.

18.12 Counterpart Execution. This Agreement may be executed in multiple counterparts and each copy so executed will be deemed an original.

18.13 Required NASAA Statement. The following only applies in *California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin*: 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 have executed this Agreement by their duly authorized representatives to be effective as of the Effective Date.

MosquitoNix Franchise, LLC

By: _____

Name: _____

Title: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

**EXHIBIT A
TO FRANCHISE AGREEMENT**

**INITIAL FRANCHISE FEE, TERRITORY,
AUTHORIZED STORAGE FACILITY, AND
OPENING DATE**

ADDRESSES FOR NOTICES:

Notices to Us: MosquitoNix Franchise, LLC.
8940 Western Way Ste. #2
Jacksonville, FL 32256
Attn: President
email: franchise@mosquitonix.com

Notices to You: _____

Attn.: _____
email: _____

INITIAL FRANCHISE FEE: _____

TERRITORY: The Territory is described as follows: _____

_____ **; provided that in no case will the Territory include all or any portion of the following counties:**

AUTHORIZED STORAGE FACILITY

The address of the Storage Facility to be operated by you in the Territory is

(Street Address)

(City, State and Zip Code)

OPENING DATE

The Opening Date is: _____

EXISTING MOSQUITO CONTROL OR HOLIDAY LIGHTING CUSTOMERS (IF ANY)

(attach list if applicable)

Officers and Directors:

<u>Name</u>	<u>Address</u>	<u>Telephone</u>	<u>Position</u>
_____	_____ _____	() _____	_____
_____	_____ _____	() _____	_____
_____	_____ _____	() _____	_____
_____	_____ _____	() _____	_____

Operations Manager:

<u>Name</u>	<u>Address</u>	<u>Telephone</u>
_____	_____ _____	() _____

Employees:

<u>Name</u>	<u>Address</u>	<u>Telephone</u>
_____	_____ _____	() _____
_____	_____ _____	() _____

**EXHIBIT C
TO FRANCHISE AGREEMENT**

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

**ELECTRONIC FUNDS TRANSFER
AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO**

MOSQUITONIX FRANCHISE, LLC AND MQX PRODUCTS, LLC /PAYEE

BANK NAME	ACCOUNT #	ABA#	FEIN
_____	_____	_____	_____

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, “debits”) drawn on such account which are payable to either or both of the above named Payees. It is agreed that Depository’s rights with respect to each such debit will be the same as if it were a check drawn and signed by the Depositor. It is further agreed that if any such debit is not honored, whether with or without cause and whether intentionally or inadvertently, Depository will be under no liability whatsoever. This authorization will continue in force until Depository and Payee have received at least 30 days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

- (1) To indemnify the Depository 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 Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.
- (2) To indemnify Payee and the Depository for any loss arising in the event that any such debit will be dishonored, whether with or without cause and whether intentionally or inadvertently.
- (3) To defend at Depositor’s own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository’s or Payee’s participation therein.

Name of Depository: _____

Name of Depositor: _____

Designated Bank Acct.: _____

(Please attach one voided check for the above account.)

Franchise Location: _____

Franchise #: _____

For information call: _____

Address: _____

Phone #: _____

Fax #: _____

Name of Franchisee/Depositor (please print)

By: _____
Signature and Title of Authorized Representative

Date: _____

**EXHIBIT D-1
TO FRANCHISE AGREEMENT**

GUARANTY OF PAYMENT AND PERFORMANCE

This Guaranty of Payment and Performance is given by the undersigned (each, a “Guarantor”), this _____ day of _____, 202_ to MosquitoNix Franchise, LLC (“Company”), in order to induce Company to accept _____, a _____ (“Franchisee”) as a Franchisee of Company by entering into that certain franchise agreement between Company and Franchisee dated _____, 202_ (the “Franchise Agreement”).

Guarantor does hereby, to the extent herein provided, guaranty to Company the prompt payment and performance when due of any and all liabilities and obligations arising under or evidenced by any promissory note or other credit instruments, Franchisee’s Franchise Agreement with Company, and any other liabilities, obligations and indebtedness of Franchisee to Company, of every kind and description, now existing or hereafter incurred or arising, matured or unmatured, direct or indirect, absolute or contingent, due or to become due, and any renewals, consolidations and extensions, including any future advances from Company to Franchisee (all collectively referred to as the “Guaranteed Obligations”).

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty will not be discharged by renewal of any claims guaranteed by this instrument, the suffering of any indulgence to any debtor or extension of time of payment thereof. Presentment, demand, protest, notice of protest and dishonor, and diligence in collecting any obligation under any agreements between Franchisee and Company are each and all waived by Guarantor and/or acknowledged as inapplicable. Company will not be required to pursue any remedy on said Guaranteed Obligations as a condition of the obligation hereunder of Guarantor. Guarantor waives notice of amendment of any agreement between Franchisee and Company and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Company.

The Guarantor agrees to defend, indemnify and hold Company harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney’s fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under any agreement between Franchisee and Company.

This Guaranty will terminate upon the expiration or termination of the Franchise Agreement, except that all obligations and liabilities of Guarantor which arise from events which occurred on or before the effective date of such termination will remain in full force and effect until satisfied or discharged by Guarantor, and all covenants which by their terms continue in force after termination or expiration of the Franchise Agreement or any other agreement between Franchisee and Company will remain in force according to their terms.

Upon the death of Guarantor, the estate of such Guarantor will be bound by this Guaranty and the obligations of any other guarantors associated with the Franchise Agreement will continue in full force and effect. To carry out the foregoing, Guarantor hereby agrees to make the appropriate testamentary disposition before a Notary Public, binding upon his heirs, legatees, and executors.

The Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by Company upon this Guaranty or acceptance of this Guaranty. The Guaranteed Obligations, and any of them, will conclusively be deemed to have been created, contracted or incurred, or renewed, extended amended or waived, in reliance upon this Guaranty and all dealings between Company and Guarantor will likewise be conclusively presumed to have been had or consummated in reliance upon this Guaranty. The Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Company or the Guarantor with respect to the Guaranteed Obligations.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability will be joint and several to that of Guarantor.

Without limiting the foregoing, the undersigned Guarantor hereby expressly agrees to be individually bound by the covenants contained in following sections of the Franchise Agreement: Sections 4, 6.5, 6.23, 10, 11, 13.2 through 13.7, 15 and 17.

IN WITNESS WHEREOF, the Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR

Individually

(Print Name)

Individually

(Print Name)

Individually

(Print Name)

Initials:

**EXHIBIT D-2
TO FRANCHISE AGREEMENT**

MINORITY OWNER SIGNATURE PAGE

Each of the undersigned signatories acknowledges and agrees as follows:

1. Each has read the terms and conditions of the Franchise Agreement and acknowledges that the undertakings of the Minority Owners set forth herein are in partial consideration for, and a condition to the granting of the License, and that MosquitoNix Franchise, LLC would not have granted the License without the execution of such undertakings by each of the undersigned.

2. Each is included in the term “Minority Owners” as described in Section 1., “Definitions” of the Franchise Agreement.

3. Each individually, jointly and severally, makes all of the covenants, representations, warranties and agreements of the Minority Owners set forth in Sections 10, 11, 13.2 through 13.7, 15.1 through 15.3, and 17.1 through 17.7 of the Franchise Agreement and is obligated to perform thereunder.

MINORITY OWNER

Individually

(Print Name)

a _____

By: _____

(Print Name and Title)

**EXHIBIT D-3
TO FRANCHISE AGREEMENT**

**OFFICER, DIRECTOR AND OPERATIONS MANAGER
SIGNATURE PAGE**

Each of the undersigned signatories acknowledges and agrees as follows:

1. I am an officer, director, and/or Operations Manager of Franchisee.

2. I have read the terms and conditions of the Franchise Agreement and acknowledge that the undertakings set forth herein are in partial consideration for, and a condition to the granting of the License, and that MosquitoNix Franchise, LLC would not have granted the License without the execution of such undertakings by each of the undersigned.

3. If I am an officer, director or Operations Manager, I hereby covenant and agree that I am individually bound by Sections 10, 11, 15.3 and 17.1 through 17.7 of the Franchise Agreement and am obligated to perform thereunder.

Individually

(Print Name)

**AMENDMENT TO MOSQUITONIX FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA**

The MosquitoNix Franchise, LLC Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and MosquitoNix Franchise, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

CALIFORNIA LAW MODIFICATIONS

1. The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORPORATIONS CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. California Business and Professions Code Sections 20000 through 20043 provide rights to Franchisee concerning termination, transfer and nonrenewal of the Franchise Agreement. The Federal Bankruptcy Code also provides rights to Franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. To the extent the Franchise Agreement contains a provision that is inconsistent with these laws, these laws will control.
- b. If Franchisee is required in the Franchise Agreement to execute a release of claims, such release will exclude claims arising under the California Franchise Investment Law and the California Franchise Relations Act.
- c. If the Franchise Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671, the liquidated damage clause may be unenforceable.
- d. If the Franchise Agreement contains a covenant not to compete which extends beyond the expiration or termination of the Franchise Agreement, the covenant may be unenforceable under California law.
- e. If the Franchise Agreement requires litigation, arbitration or mediation to be conducted in a forum other than the State of California, the requirement may be unenforceable under California law.
- f. Both the Governing Law and Choice of Law for Franchisees operating outlets located in California, will be the California Franchise Investment law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.
- g. If the Franchise Agreement requires an interest rate greater than 10% per annum (the highest amount allowed in California), such interest rate will be reduced to 10% per annum.
- h. Nothing in this or in any related agreement, however, is intended to disclaim the representations Franchisor made in the franchise disclosure document that Franchisor furnished to Franchisee.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

**MosquitoNix Franchise, LLC,
a Delaware limited liability company**

By: _____

Print Name: _____

Its: _____

Effective Date: _____

FRANCHISEE

By: _____

Print Name: _____

Its: _____

Date: _____

**AMENDMENT TO MOSQUITONIX FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS**

The MosquitoNix Franchise, LLC Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and MosquitoNix Franchise, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General’s Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, Ill. Rev. Stat. ch. 815 para. 705/1 - 705/44 (1994) (the “Act”). To the extent that this Agreement contains provisions that are inconsistent with the following, those provisions are amended as follows:

a. All initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement. The Illinois Attorney General’s Office imposed this deferral requirement due to Franchisor’s financial condition.

b. Illinois law governs the Franchise Agreement.

c. 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.

d. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

e. 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.

f. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

g. In addition to your Market Entry Campaign expenditures, you are required to spend at least \$42,000 during your first Agreement Year on approved local marketing in your Territory for your Business (your “Local Marketing Requirement”), but we actually recommend that you spend at least \$60,000 during the first Agreement Year. We will credit your Market Entry Campaign spending against your Local Marketing Requirement for your first Agreement Year.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

MosquitoNix Franchise, LLC,

a Delaware limited liability company

By: _____

By: _____

Print Name: _____

Print Name: _____

Its: _____

Its: _____

Effective Date: _____

Date: _____

**AMENDMENT TO MOSQUITONIX FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND**

The MosquitoNix Franchise, LLC Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and MosquitoNix Franchise, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

MARYLAND LAW MODIFICATIONS

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland Franchise Registration and Disclosure Law, MD. BUS. REG. CODE ANN. § 14-201 et. seq. (2015 Repl. Vol.). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Franchisee is required in this Agreement to execute a release of claims and/or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act. Such release will exclude claims arising under the Maryland Franchise Registration and Disclosure Law, and such acknowledgments will be void with respect to claims under the Law.
- b. This Agreement requires litigation to be conducted in a forum other than the State of Maryland. The requirement will not be interpreted to limit any rights Franchisee may have under Sec. 14-216 (c)(25) of the Maryland Franchise Registration and Disclosure Law to bring suit in the state of Maryland.
- c. The general release required as a condition of renewal, sale, and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- d. This Agreement is hereby amended to reflect that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- e. Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. This Agreement requires prospective franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law. All representations in this Agreement requiring prospective franchisees to assent to any release, estoppel or waiver of liability are not intended to and will not act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law resulting from the offer or sale of the franchise
- f. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement.

2. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim

of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

3. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, with respect to each such provision, are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

4. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Franchisee has initiated.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

**MosquitoNix Franchise, LLC,
a Delaware limited liability company**

By: _____

By: _____

Print Name: _____

Print Name: _____

Its: _____

Its: _____

Effective Date: _____

Date: _____

**AMENDMENT TO MOSQUITONIX FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF MINNESOTA**

The MosquitoNix Franchise, LLC Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and MosquitoNix Franchise, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

MINNESOTA LAW MODIFICATIONS

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the “Franchise Act”). To the extent that the Franchise Agreement and Franchise Disclosure Document contain provisions that are inconsistent with the following, such provisions are hereby amended:

a. The Minnesota Department of Commerce requires that Franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that Franchisee’s use of the Marks infringes trademark rights of the third-party. Franchisor does not indemnify against the consequences of Franchisee’s use of the Marks except in accordance with the requirements of the Franchise Agreement, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claim within 10 days after the earlier of (i) actual notice of the claim or (ii) receipt of written notice of the claim, and must therein tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim. If the Franchise Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Franchise Act, the provisions of the Franchise Agreement will be superseded by the Act’s requirements and will have no force or effect.

b. Franchise Act, Sec. 80C.14, Subd. 4., requires, except in certain specified cases, that Franchisee be given written notice of a Franchisor’s intention not to renew 180 days prior to expiration of the franchise and that Franchisee be given sufficient opportunity to operate the franchise in order to enable Franchisee the opportunity to recover the fair market value of the franchise as a going concern. If the Franchise Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Franchise Act, the provisions of the Franchise Agreement will be superseded by the Act’s requirements and will have no force or effect.

c. Franchise Act, Sec. 80C.14, Subd. 3., requires, except in certain specified cases, that Franchisee be given 90 days’ notice of termination (with 60 days to cure). If the Franchise Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Franchise Act, the provisions of the Franchise Agreement will be superseded by the Act’s requirements and will have no force or effect.

d. If the Franchise Agreement and/or the Franchise Disclosure Document requires Franchisee to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, such release will exclude claims arising under the Franchise Act, and such acknowledgments will be void with respect to claims under the Act.

e. If the Franchise Agreement and/or the Franchise Disclosure Document requires that it be governed by a state’s law, other than the State of Minnesota, those provisions will not in any way abrogate or reduce any rights of Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

f. If the Franchise Agreement and/or the Franchise Disclosure Document requires Franchisee to sue Franchisor outside the State of Minnesota, those provisions will not in any way abrogate or reduce any rights of Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.

g. Minn. Rule 2860.4400J. prohibits Franchisor from requiring Franchisee to consent to liquidated damages and prohibits waiver of a jury trial. If the Franchise Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Minn. Rule, the provisions of the Franchise Agreement and/or the Franchise Disclosure Document will be superseded by the Minn. Rule's requirements and will have no force or effect.

h. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

2. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

3. Each provision of this Agreement and/or the Franchise Disclosure Document will be effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

4. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Franchisee has initiated.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

**MosquitoNix Franchise, LLC,
a Delaware limited liability company**

By: _____

By: _____

Print Name: _____

Print Name: _____

Its: _____

Its: _____

Effective Date: _____

Date: _____

**AMENDMENT TO MOSQUITONIX FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK**

The MosquitoNix Franchise, LLC Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and MosquitoNix Franchise, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

NEW YORK LAW MODIFICATIONS

1. The New York Department of Law requires that certain provisions contained in franchise documents be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989). To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If Franchisee is required in the Franchise Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the General Business Law, regulation, rule or order under the Law, such release will exclude claims arising under the New York General Business Law, Article 33, Section 680 through 695 and the regulations promulgated thereunder, and such acknowledgments will be void. It is the intent of this provision that non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.
- b. If the Franchise Agreement requires that it be governed by a state’s law, other than the State of New York, the choice of law provision will not be considered to waive any rights conferred upon Franchisee under the New York General Business Law, Article 33, Sections 680 through 695.
- c. Notwithstanding any rights Franchisee may have in the Franchise Agreement permitting Franchisee to terminate the Franchise Agreement, Franchisee may also have additional rights to terminate the Franchise Agreement on any grounds available by law.
- d. With respect to any transfer or assignment by Franchisor, no assignment will be made except to an assignee who, in good faith and judgment of Franchisor, is willing and financially able to assume Franchisor’s obligations under the Franchise Agreement.

2. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee’s investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

3. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the New York General Business Law, with respect to each such provision, are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

**MosquitoNix Franchise, LLC,
a Delaware limited liability company**

By: _____

By: _____

Print Name: _____

Print Name: _____

Its: _____

Its: _____

Effective Date: _____

Date: _____

**AMENDMENT TO MOSQUITONIX FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF NORTH DAKOTA**

The MosquitoNix Franchise, LLC Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and MosquitoNix Franchise, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

NORTH DAKOTA LAW MODIFICATIONS

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1993). To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If Franchisee is required in the Franchise Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate North Dakota Law, or a rule or order under North Dakota Law, such release will exclude claims arising under North Dakota Law, and such acknowledgments will be void with respect to claims under the Law.
- b. Covenants not to compete during the term of and upon termination or expiration of the Franchise Agreement are enforceable only under certain conditions according to North Dakota Law. If the Franchise Agreement contains a covenant not to compete which is inconsistent with North Dakota Law, the covenant may be unenforceable.
- c. If the Franchise Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void with respect to claims under North Dakota Law.
- d. If the Franchise Agreement requires that it be governed by a state’s law, other than the State of North Dakota, to the extent that such law conflicts with North Dakota Law, North Dakota Law will control.
- e. If the Franchise Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under North Dakota Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon prior to the arbitration or if the parties cannot agree on a location, the location will be determined by the arbitrator.
- f. Section 17.3 of the Franchise Agreement entitled “Jury Trial Waiver” is deleted in its entirety.
- g. Section 15.4 of the Franchise Agreement entitled “Liquidated Damages” is deleted in its entirety.
- h. Notwithstanding Section 17.6 of the Franchise Agreement requiring the franchisee to consent to a waiver of exemplary and punitive damages, this provision is deleted in its entirety.

- i. Notwithstanding Section 17.7 of the Franchise Agreement requiring the franchisee to consent to a limitation of claims within one year, the provision is changed to read the statute of limitations under North Dakota Law will apply.
- j. Notwithstanding Section 17.8 of the Franchise Agreement stipulating that the franchisee shall pay all costs and expenses incurred by the franchisor in enforcing the Franchise Agreement, the provision is changed to read that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.
- k. Notwithstanding anything in Item 5 of the disclosure document or in the Franchise Agreement, franchisor will defer all payment of all fees and other payments to franchisor until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.

2. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

3. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of North Dakota Law, with respect to each such provision, are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

4. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Franchisee have initiated.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

**MosquitoNix Franchise, LLC,
a Delaware limited liability company**

By: _____

By: _____

Print Name: _____

Print Name: _____

Its: _____

Its: _____

Effective Date: _____

Date: _____

**AMENDMENT TO MOSQUITONIX FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF RHODE ISLAND**

The MosquitoNix Franchise, LLC Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and MosquitoNix Franchise, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

RHODE ISLAND LAW MODIFICATIONS

1. The Rhode Island Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R.I. Gen. Law. ch. 395 Sec. 19-28.1-1 -19-28.1-34. To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

- a. If this Agreement requires litigation to be conducted in a forum other than the State of Rhode Island, the requirement is void under Rhode Island Franchise Investment Act Sec. 19-28.1-14.
- b. If this Agreement requires that it be governed by a state’s law, other than the State of Rhode Island, to the extent that such law conflicts with Rhode Island Franchise Investment Act it is void under Sec. 19-28.1-14.
- c. If Franchisee is required in this Agreement to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, such release will exclude claims arising under the Rhode Island Franchise Investment Act, and such acknowledgments will be void with respect to claims under the Act.

2. Each provision of this Amendment will be effective only to the extent that the jurisdictional requirements of the Rhode Island Franchise Investment Act, with respect to each such provision, are met independent of this Amendment. This Amendment will have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that Franchisee have initiated.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

**MosquitoNix Franchise, LLC,
a Delaware limited liability company**

By: _____

By: _____

Print Name: _____

Print Name: _____

Its: _____

Its: _____

Effective Date: _____

Date: _____

**AMENDMENT TO MOSQUITONIX FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF SOUTH DAKOTA**

The MosquitoNix Franchise, LLC Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and MosquitoNix Franchise, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

SOUTH DAKOTA LAW MODIFICATIONS

To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Payment of the initial franchise fee, initial training fee, opening package purchase and pre-opening marketing materials owed to us will be deferred until we have met our initial obligations to you and you have commenced doing business. This financial assurance requirement was imposed by the South Dakota Securities Regulation Office due to our financial condition.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

**MosquitoNix Franchise, LLC,
a Delaware limited liability company**

By: _____

By: _____

Print Name: _____

Print Name: _____

Its: _____

Its: _____

Effective Date: _____

Date: _____

**AMENDMENT TO MOSQUITONIX FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF WASHINGTON**

The MosquitoNix Franchise, LLC Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and MosquitoNix Franchise, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

WASHINGTON LAW MODIFICATIONS

**WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT,
THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** 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.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** 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.
16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.

20. Notwithstanding the Franchise Agreement, we will not charge you for any taxes charged to us based on your ongoing purchases and fees.

21. Notwithstanding Section 15.4(a) of the Franchise Agreement, the liquidated damages you will pay to us under Section 15.4(a) of the Franchise Agreement will be calculated using the royalty fees only and will be based solely on the royalty fees that would have been paid to us during the next 24 month period under the Franchise Agreement.

22. Notwithstanding Section 17.8 of the Franchise Agreement, you must pay us all damages, costs, and expenses (including legal and court costs and reasonable legal fees) that we incur in enforcing our rights under this Agreement, including, without limitation those incurred in obtaining injunctive or other relief, only if we are the substantially prevailing party in a legal action.

23. Notwithstanding Section 13 of the Franchise Agreement, we will not unreasonably withhold our consent to a proposed transfer in the State of Washington.

24. Notwithstanding Section 13 of the Franchise Agreement, we will provide you a minimum of 180 days after the franchisee’s death or permanent disability to affect a transfer in the State of Washington.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

**MosquitoNix Franchise, LLC,
a Delaware limited liability company**

By: _____

By: _____

Print Name: _____

Print Name: _____

Its: _____

Its: _____

Effective Date: _____

Date: _____

**MULTI-UNIT ADDENDUM TO
MOSQUITONIX FRANCHISE, LLC
FRANCHISE AGREEMENT**

The MosquitoNix Franchise, LLC Franchise Agreement between _____ (“Franchisee” or “Franchisee”) and MosquitoNix Franchise, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) will be amended by the addition of the following language, which will be considered an integral part of the Franchise Agreement (the “Amendment”):

Section 8.2 of the Franchise Agreement is amended to provide that so long as you are otherwise in compliance with each of the franchise agreements you, or your controlled affiliates, have with the Franchisor, then for each franchise agreement, excluding one franchise agreement which shall remain unchanged, the Local Marketing Requirement shall be \$15,000 per year. By way of example, if you have two franchise agreements, your Local Marketing Requirement for the one will be \$42,000 and your Local Marketing Requirement for the other will be \$15,000 (for a total of \$57,000 for the two).

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Franchise Agreement on the Effective Date set forth below.

FRANCHISOR

FRANCHISEE

**MosquitoNix Franchise, LLC,
a Delaware limited liability company**

By: _____
Print Name: _____
Its: _____

By: _____
Print Name: _____
Its: _____

Effective Date: _____

Date: _____

EXHIBIT C
LIST OF FRANCHISED OUTLETS

**LIST OF FRANCHISEES
AS OF DECEMBER 31, 2024**

Franchisees with Outlets Open

Owner	Street Address	City	ST	Zip	Phone
Kenneth Weaver	9113 W. Highway 98	Pensacola	FL	32506	850-600-8678
Matthew Bradshaw	1824 William Few Parkway, Unit B-193	Grovetown	GA	30813	706-420-5649
Andrew Stimson	4121 NE Davidson Rd, Unit 1302	Kansas City	MO	64116	816-312-4455
Jonathan Buff	5306 Old Wake Forest Rd, Unit 24	Raleigh	NC	27609	984-464-8125
Stephanie Hackney	411 Eastwood Road, K52	Wilmington	NC	28403	910-631-5182
Alex Close*	101 Parr Drive, Unit 4011	Huntersville	NC	28078	704-850-5601
Avinash Lawrence*	899 E. Main St., Unit 2506	Spartanburg	SC	29302	864-732-6878
Richard Trent Shirk*	1138 Murfreesboro Rd., Unit 5102	Franklin	TN	37064	629-299-2867

Franchisees with Franchise Agreements Signed but Outlet Not Opened

Owner	Street Address	City	ST	Zip	Phone
Deborah Estes	12787 5 th Street	Lillian	AL	36549	205-447-2502
Daniel Hamel	382 NE 191 st St #42221	Miami	FL	33179	801-696-6227
Alex Close*	12200 Longmont Dr.	Charlotte	NC	28277	678-467-1475
Alex Close*	12200 Longmont Dr.	Charlotte	NC	28277	678-467-1475
Alex Close*	12200 Longmont Dr.	Charlotte	NC	28277	678-467-1475
Alex Close*	12200 Longmont Dr.	Charlotte	NC	28277	678-467-1475
Alex Close*	12200 Longmont Dr.	Charlotte	NC	28277	678-467-1475
Justin Dotzman*	713 Parkside Blvd	Massapequa	NY	11758	267-261-5978
Justin Dotzman*	713 Parkside Blvd	Massapequa	NY	11758	267-261-5978
Justin Dotzman*	713 Parkside Blvd	Massapequa	NY	11758	267-261-5978
Michael Ort	31 Popjoy Lane	Glenmoore	PA	19343	717-903-6433
Avinash Lawrence*	601 Waymouth Dr.	Spartanburg	SC	29302	864-706-8288
Scott Barnes*	10128 Meadowstone Dr.	Apison	TN	37302	801-369-6448
Scott Barnes*	10128 Meadowstone Dr.	Apison	TN	37302	801-369-6448
Scott Barnes*	10128 Meadowstone Dr.	Apison	TN	37302	801-369-6448
Scott Barnes*	10128 Meadowstone Dr.	Apison	TN	37302	801-369-6448
Richard Trent Shirk*	5014 Water Leaf Dr.	Franklin	TN	37064	951-833-6629
Richard Trent Shirk*	5014 Water Leaf Dr.	Franklin	TN	37064	951-833-6629
Richard Trent Shirk*	5014 Water Leaf Dr.	Franklin	TN	37064	951-833-6629

*These franchisees are also multi-unit developers.

EXHIBIT D

**LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM
AS OF DECEMBER 31, 2024**

The following are franchisees who have been terminated, canceled, not renewed, or have otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the date of issuance of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Owner	Street Address	City	ST	Zip	Phone
Derek Smith*	15413 Abbots Bridge Rd.	Charlotte	NC	28277	954-830-6577

* This franchisee purchased a territory outside of the state in which they reside

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT E
BRAND STANDARDS MANUAL TABLE OF CONTENTS



Exhibit E

Brand Standards Manual Table of Contents

Preface

1. Contact Information	i
2. How to Use This Manual	ii
3. Confidentiality Reminder	iii

Section 1: Introduction 6-10 pages

This chapter will be an introduction to the brand. It includes a Welcome Letter and information on:

- Company History
- Mission Statement
- Brand Mantras
- The Market We Serve
- Competitive Advantage

Section 2: Operating the Franchise 7-12 pages

This chapter outlines the process for operating the business to brand standards. It includes information on:

- Franchisor – Franchisee Relationship
- Key Elements of Success
- Brand Standards/Compliance Review
- Setting Up Your Business/Warehouse
- Vehicles

Section 3 Human Resources 15-20 pages

This chapter is about the internal customer – Employees. It will start with an Overview & Disclaimer which explains Joint Employer. It then includes information on:

- Labor Law Compliance
- Job Descriptions
- Recruitment & Retention
- Training
- Managing Performance



Section 4: Marketing

15-20 pages

This chapter will include information on:

- Developing a Marketing Plan
- Guidelines for Using Brand Marks
- Logo & Signature Specifications
- Social Media & Public Relations
- Advertising Approval

Section 5: Daily Operations / MosquitoNix Treatment

22-55 pages

This chapter outlines the daily business activity for the MosquitoNix Treatment. It includes an Overview and information on:

- Office Procedures
- Scheduling
- Equipment & Chemical Requirements
- Pre-Installation & Installation Activities
- Maintenance & Safety

Section 6: Holiday Lights/Elves Daily Operations

15-20 pages

This chapter outlines the Holiday Light / Elves daily operations. It includes an Overview an information on:

- Office Procedures
- Scheduling
- Equipment Requirements
- Pre-Installation & Installation Activities
- Maintenance & Safety

Section 7: Business Management

7-15 pages

This chapter outlines the administrative processes. It includes information on:

- Risk Management
- Key Performance Indicators
- Reporting Requirements
- Reporting Requirements

EXHIBIT F

FORM OF REFRANCHISING ASSET PURCHASE AGREEMENT

Refranchising Asset Purchase Agreement

Parties

**[Insert Name of Seller]
(Seller)**

and

**[Insert Name of Buyer]
(Buyer)**

and

**[Insert Names of Buyer's Owners]
(Buyer's Owners)**

Summary Pages to Refranchising Asset Purchase Agreement

Effective Date: _____

Seller: [Insert Name of Seller], [Insert Seller Entity Type]

Seller's Corporate Address/Address for Notice Purposes: 8940 Western Way, Suite #2 Jacksonville, FL 32256; Attn: President

Seller's Contact Person: Mike O'Neal
Phone Number: +1 855-808-2847
E-Mail Address: moneal@mosquistonix.com

Buyer: [Insert Name of Seller], [Insert Seller Entity Type]

Buyer's Owners: _____ (___%), _____ (___%) and _____ (___%)

Buyer's Corporate Address/Address for Notice Purposes:

Buyer's Contact Person:
Phone Number:
E-Mail Address:

Business Location(s)/Storage Facility Location(s):

Number of Vehicles (if any):

Closing Date (expected):

Purchase Price: (i) \$insert paid in cash by cashier's check or wire transfer to Seller's Bank Account ("Closing Payment"), PLUS (ii) an amount equal to the actual cost of Seller's inventory (excluding Excluded Assets) at the Business Location(s)/Storage Facility Location(s) as of the Closing Date (to a maximum value of \$_____), such amount to be paid within ten (10) days of Closing; PLUS (iii) the assumption of the Assumed Liabilities described in Section 2 below.

The Closing Payment shall be payable as follows (a) \$insert on or before insert date; (b) \$ insert on or before insert date; and (c) any remaining amounts at Closing.

Seller's Bank Account:

Name of Bank:
Name of Account:
Routing:
Account Number:

Number of Handover Days:

THIS REFRANCHISING ASSET PURCHASE AGREEMENT (the “**Agreement**”) is made as of the Effective Date set forth in the Summary Pages between Seller, on the one hand, and Buyer and Buyer’s Owners, on the other hand, each as identified in the Summary Pages. The Summary Pages are an integral part of this Agreement. Certain terms in the Summary Pages shall have the meaning attributed to them in this Agreement.

RECITALS

As of the Effective Date of this Agreement, Seller owns and operates a Business (defined below) located at the Business Location(s)/Storage Facility Location(s) set forth in the Summary Pages.

Seller’s affiliate MosquitoNix Franchise, LLC, a Delaware limited liability company (“**Franchisor**”), offers and sells franchises for the operation of a franchise business sells, installs, applies and services MosquitoNix integrated residential and commercial mosquito and other indoor and outdoor pest management systems and related fogging, spraying, baiting and trapping applications under the MosquitoNix trademark and other Proprietary Marks (the “**MosquitoNix Business**”) and concurrently sells, installs and services holiday lighting displays and decorations under the MosquitoNix Elves trademark and other Proprietary Marks (the “**MosquitoNix Elves Business**”) (collectively, the “**Business**”).

Prior to or concurrently with the execution and delivery of this Agreement, Franchisor, Buyer and Buyer’s Owners are entering into a MosquitoNix Franchise Agreement (the “**Franchise Agreement**”) to provide for the operation of the Business as a franchise.

Seller desires to sell the Business, together with its respective assets, and Buyer desires to purchase the Business, for the consideration and on the terms set forth in this Agreement.

AGREEMENT

The parties, intending to be legally bound, agree as follows:

Section 1. Sale of Assets. Upon the terms and subject to the conditions set forth in this Agreement, at Closing (as defined in Section 4 below), Seller shall sell, assign, transfer and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all of Seller’s right, title and interest, both legal and beneficial, in the assets primarily relating to or used or held for use in connection with the Business, except the Excluded Assets (defined below), and specifically including owned or leased vehicles (if any) used exclusively in the Business, leasehold improvements (if any); contracts/leases for use or maintenance of personal property used in the Business (including POS, alarm, credit card and other transferable contracts); furniture; fixtures; equipment; computers, printers and software and related licenses; transferable business licenses and inventory and supplies located at the Business Location(s)/Storage Facility Location(s) (collectively, the “**Assets**”, as further described on **Exhibit A** hereto, but specifically excluding any Assets excluded on **Exhibit A** (collectively, the “**Excluded Assets**”), and as evidenced by the Bill of Sale and Assignment in substantially the form attached hereto as **Exhibit B** (“**Bill of Sale**”).

Section 2. Assumption of Liabilities. On the Closing Date (as defined in Section 4 below), Buyer shall assume and agrees to discharge only the liabilities of Seller relating to the specific leases, contracts, debts, liabilities or obligations, if any, relating or pertaining to the Assets that are specifically described on **Exhibit C**, including the real estate lease agreement(s) for the Business Location(s)/Storage Facility Location(s) (if any) (collectively, the “**Assumed Liabilities**”). All other leases, contracts, debts, liabilities or obligations relating or pertaining to the Assets not expressly described in **Exhibit A** (including any Excluded Assets) shall remain the sole and absolute obligation of Seller from and after Closing.

Section 3. Deposit, Purchase Price, Payment Terms.

a. The aggregate consideration payable for all of the Assets (the “**Purchase Price**”) shall be the Purchase Price amount set forth in the Summary Pages, which amount shall be payable as set out in the Summary Pages.

b. Seller and Buyer acknowledge and agree that, except as noted above, there shall be no closing adjustment to the Purchase Price or post-Closing reconciliation for rent, taxes, prepaid costs, gift cards, other petty cash on hand in the Business or other amounts paid by Seller before the Closing Date.

c. Buyer and Seller agree that the Purchase Price shall be allocated to the Assets as set forth on **Exhibit D**. After Closing, the parties shall make consistent use of the allocation, fair market value and useful lives specified in **Exhibit D** for all tax purposes and in all filings, declarations and reports with the IRS in respect thereof, including the reports required to be filed under Section 1060 of the Code. Buyer shall prepare and deliver IRS Form 8594 to Seller within 45 days after the Closing Date to be filed with the IRS. In any proceeding related to the determination of any tax, neither Buyer nor Seller shall contend or represent that such allocation is not a correct allocation.

Section 4. Closing Date. The purchase and sale provided for in this Agreement (the “**Closing**”) shall take place at Seller’s headquarters located at 8940 Western Way, Suite #2, Jacksonville, FL 32256 at 9 a.m. (local time) on the Closing Date set forth in the Summary Pages, or at such other date or time or place as Buyer and Seller may mutually agree in writing (the “**Closing Date**”). Seller may elect to extend the Closing Date one or more times, such extensions not to exceed more than 45 days in the aggregate, if the reason for the extension is that a required condition to Closing has not been materially satisfied.

Section 5. Employees. On the Closing Date, Seller shall terminate its employment relationships with the employees who are exclusive to the Business. Buyer may retain or rehire the employees of the Business on Buyer’s terms. Seller shall be solely liable for any accrued vacation, sick pay or other benefits accrued by the Business’s employees on or before the Closing Date.

Section 6. Representations, Warranties and Covenants of Buyer. Buyer represents, warrants and covenants the following:

a. Organization. Buyer is duly organized, validly existing and in good standing under the laws of the state of its formation, with full power and authority to conduct its business as it is now conducted.

b. Authority. This Agreement and any other transaction documents to be executed or delivered by Buyer pursuant to this Agreement constitute the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms. Buyer’s formation and operating documents authorize it to acquire and operate the Business, and such actions have been duly authorized by all necessary action of its members and managers prior to Closing.

c. No Conflict with Other Agreements. Neither the execution and delivery of this Agreement by Buyer nor the consummation or performance of any of the contemplated transactions by Buyer will result in the breach of any provision of, or constitute a default under, any contract or other obligation to which Buyer is a party or by which Buyer is bound.

d. Walk-Through of Business Location(s)/Storage Facility Location(s); Verification of Information. Buyer has conducted a walk-through inspection of the Business Location(s)/Storage Facility Location(s) and inspected any and all vehicles, inventory, furniture, equipment, fixtures and other tangible personal property to be purchased under this Agreement. Buyer acknowledges that Seller has made available to Buyer or its representatives the opportunity to ask questions of and receive answers from Seller concerning the ownership and operation of the Business and to obtain any additional information necessary to verify such information. Buyer acknowledges having received satisfactory answers to all of its questions (if any) from representatives of Seller and having obtained any additional information requested by it of Seller and its representatives. **ACCORDINGLY, BUYER ACKNOWLEDGES AND AGREES THAT THE ASSETS ARE BEING SOLD “AS IS” AND THAT SELLER MAKES NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE BUSINESS OR THE ASSETS.**

e. Inspection of Operating Accounts. Buyer has conducted a thorough inspection of Seller’s operating accounts pertaining to the Business prior to Closing (the “**Operating Accounts**”), and it has found these to be satisfactory. **BUYER ACKNOWLEDGES AND AGREES THAT THE OPERATING ACCOUNTS ARE BEING PROVIDED “AS IS” WITH NO REPRESENTATIONS OR WARRANTIES.**

f. Franchise Transaction. Seller acknowledges and agrees that the rights to operate the Business using the System and the Proprietary Marks (as those terms are defined in the Franchise Agreement) will only accrue to Buyer as a result of its execution of the Franchise Agreement with Franchisor.

g. No Financing Contingency. Buyer has the funds or the financing available (and at Closing will have the funds or financing available) to consummate the transactions contemplated hereby.

Section 7. Representations, Warranties and Covenants of Seller. Seller represents, warrants and covenants the following:

a. Organization. Seller is duly organized, validly existing and in good standing under the laws of the state of its formation.

b. Authority. Seller is duly and properly authorized to enter into this Agreement and consummate the transactions contemplated hereby. Seller has duly authorized the execution, delivery and performance of this Agreement.

c. Good Title to Assets. Seller has good title to or the right to use pursuant to written agreements all of the Assets.

d. Eminent Domain; Condemnation. Seller has neither received written notice from any governmental authority that, nor has knowledge of, any eminent domain proceedings for the condemnation of the Business facility, or that would materially and adversely impact the Business.

e. Claims. To its knowledge, there is no claim, suit, arbitration, action or proceeding now pending, or, to Seller’s knowledge, threatened in writing, at law or in equity, or before any court,

arbitrator, administrative or regulatory body, quasi-judicial agency or any governmental agency relating to the Business to which Seller is a party.

f. Employees. Seller is not a party to any written employment contracts or collective bargaining agreements with respect to the Business for which Buyer will be liable.

g. Access to Business and Pre-Closing Walk Through; Operating Accounts. Prior to Closing, Seller shall permit Buyer reasonable access to the Business, including a complete pre-Closing walk-through inspection of any Business Location(s)/Storage Facility Location(s) and an inspection of any and all vehicles, inventory, furniture, equipment, fixtures, and other tangible personal property to be purchased under this Agreement. Buyer may also conduct a pre-Closing inspection of the Operating Accounts.

h. Operation in the Ordinary Course. Seller shall continue to operate the Business in the ordinary course from and after the Effective Date and continuing through the Closing Date, and shall not undertake any material sale, transfer or other disposition of the Assets (except any Excluded Assets) outside of the ordinary course without express written consent from Buyer.

Except for the representations and warranties contained in this Section 7, neither Seller nor any owner, officer, agent or other person on behalf of or related to Seller makes any other express or implied representation or warranty with respect to this Agreement, and Seller disclaims any other representations or warranties, whether made by Seller any affiliate of Seller or any of their respective owners, officers, directors, employees, agents or representatives not expressly stated herein.

Section 8. Conditions Precedent to Seller's Obligation to Close. The obligations of Seller under this Agreement are subject to the fulfilment of each of the following conditions (any of which may be waived by Seller in whole or in part) prior to or at Closing:

a. Buyer's Delivery of the Closing Payment and Franchise Agreement, etc. Prior to or at Closing, Buyer shall have delivered or caused to be delivered to Seller the Closing Payment and Franchise Agreement, and such other documents as Seller may reasonably request for the purpose of (i) evidencing the accuracy of any representation or warranty of Buyer; (ii) evidencing the performance by Buyer of, or the compliance by Buyer with, any covenant or obligation required to be performed or complied with by Buyer; or (iii) evidencing the satisfaction of any condition referred to in this Section 8.

b. Representations, Warranties, and Covenants True. The representations, warranties and covenants made by Buyer herein shall be true and correct in all material respects at the Closing Date, except as affected by the transactions contemplated hereby.

Section 9. Conditions Precedent to Buyer's Obligation to Close. The obligations of Buyer under this Agreement are subject to the fulfilment of each of the following conditions (any of which may be waived by Buyer in whole or in part) prior to or at Closing:

a. Seller's and/or Franchisor's Delivery of Bill of Sale and Franchise Agreement, etc. Prior to or at Closing, Seller and/or Franchisor shall have delivered or caused to be delivered to Buyer the Bill of Sale and Franchise Agreement, and such other documents as Buyer may reasonably request for the purpose of (i) evidencing the accuracy of any representation or warranty of Seller; (ii) evidencing the performance by Seller of, or the compliance by Seller with, any covenant or obligation required to be performed or complied with by Seller; or (iii) evidencing the satisfaction of any condition referred to in this Section 9.

b. Representations, Warranties, and Covenants True. The representations, warranties and covenants made by Seller herein shall be true and correct in all material respects at the Closing Date.

c. Delivery of Keys and Security Codes. Seller will deliver all keys, safe combinations, passwords, original documents and other items related to the Business and Assets so that Buyer may operate or have access to such Assets in a manner consistent with the operations of the Business prior to Closing.

d. Assignment of Rights of Use in Telephone Numbers and Listings for the Business. Seller will assign its rights of use in the telephone numbers and listings for the Business, and cooperate with Buyer to authorize the use of all telephone numbers, directly listings and other related actions necessary to accomplish the assignment of rights of use. Seller or Franchisor shall retain all ownership rights in the telephone numbers and listings in accordance with the Franchise Agreement.

f. Utilities. Seller will cooperate with Buyer to transfer all of the utilities at Closing, or as soon as possible after Closing, and Buyer will be responsible for all amounts incurred after Closing.

Section 10. Indemnification.

a. Seller's Indemnification. Seller shall indemnify, defend and hold Buyer, its parents, affiliates, subsidiaries, members, managers, owners and their respective affiliates and related parties harmless against and in respect of any and all damage, expense, liability, loss or deficiency (including, without limitation reasonable attorneys' fees and other costs and expenses incident to any suit, action or proceeding) resulting from (i) any nonfulfillment of or noncompliance with any provision of this Agreement, (ii) any misrepresentation in or omission from this Agreement or any exhibit or other writing furnished to Buyer hereunder; and (iii) any and all liability arising from and after the Closing Date in connection with Seller's operation of the Business prior to the Closing Date. Notwithstanding anything in this Agreement to the contrary, (i) Seller's obligation to make any payment to Buyer pursuant to this Section shall arise only if the aggregate amount of all losses subject to indemnity hereunder that are suffered or incurred by Buyer exceeds \$25,000, in which case the Seller shall only pay to the Buyer the amount of such losses exceeding such \$25,000 limit and (ii) Seller shall not be required to indemnify the Seller under this Section for an aggregate amount of losses exceeding the Purchase Price; provided, that the limitations in the preceding clauses (i) and (ii) shall not apply to any claim under this Section arising out of any fraudulent, intentional or wilful breach of any representation of Seller in this Agreement.

b. Buyer's Indemnification. Buyer shall indemnify, defend and hold Seller and its parents, affiliates and subsidiaries harmless against and in respect of any and all damage, expense, liability, loss or deficiency (including, without limitation reasonable attorneys' fees and other costs and expenses incident to any suit, action or proceeding) resulting from (i) any nonfulfillment of or noncompliance with any provision of this Agreement, (ii) any misrepresentation in or omission from this Agreement or any exhibit or other writing furnished to Seller hereunder; and (iii) any and all liability arising from and after the Closing Date in connection with Buyer's operation of the Business as of and after the Closing Date.

c. Exclusive Remedy. From and after the Closing Date, none of the parties hereto shall be liable or responsible in any manner whatsoever to the other parties hereto, whether for indemnification or otherwise, except for indemnity as expressly provided in this Section 10, which provides the exclusive remedy and cause of action of the parties hereto with respect to a breach of the representations and warranties set forth above. Each of the parties hereby waives, releases and agrees not to make any claim or bring any contribution, cost recovery or other action against the other parties or any of their respective successors or assigns or any controlling person or other affiliate of the other parties, under common law or any federal, state or local law or regulation now existing or hereafter enacted which seeks to allocate

liabilities between Buyer and Seller with respect to a breach of the representations and warranties set forth in this Agreement in a different manner than as expressly set forth in this Agreement. Notwithstanding the foregoing, nothing contained in this Agreement shall affect the parties' (or Franchisor's) respective rights and obligations under the Franchise Agreement.

Section 11. Termination. Anything herein or elsewhere to the contrary notwithstanding, this Agreement may be terminated by written notice of termination at any time before the Closing Date only as follows:

- a. by mutual written consent of Buyer and Seller;
- b. by either Buyer or Seller if Closing shall not have occurred by the Closing Date unless otherwise extended pursuant to this Agreement; provided, however, that this right to terminate this Agreement shall not be available to any party whose failure to perform any obligation under this Agreement has been the cause of, or resulted in, the failure to close on or before the Closing Date; or
- c. by either Buyer or Seller if the other party is in material breach of this Agreement; provided, however, that the non-breaching party (the "**Non-Breaching Party**") has given written notice of such breach to the other party (the "**Breaching Party**") and the Breaching Party has failed to cure the breach within 10 days from the date the notice was sent by expedited delivery service and email.

In the event of termination of this Agreement and abandonment of the transactions contemplated hereby pursuant to this Section 11, the parties acknowledge and agree that neither party shall have any liability nor further obligation to any other party, except as provided in Section 10 of this Agreement regarding indemnification and Section 12.i. regarding confidentiality, or as otherwise provided for in any termination agreement.

Section 12. General Provisions.

a. Expenses and Brokerage Fees. Except as herein specifically provided to the contrary, each party shall bear its own expenses incurred in connection herewith, and neither party shall be liable to the other for any such expenses, whether or not Closing takes place. Each party covenants that the other party will not be liable for any broker, finder, or agent's commission for bringing the parties together in connection with this Agreement. Seller will be responsible for the payment of any sales, use, income, transfer, documentary or other tax incurred as a result of the consummation of the sale of the Assets. Buyer will bear the costs associated with obtaining any licenses or permits required to operate the Business and its due diligence activities relating to the contemplated transaction (including any costs relating to the conduct of environmental searches or investigations, surveys and any leasehold title insurance).

b. Notices. All notices under this Agreement shall be in writing and given by expedited delivery service (with a courtesy copy via email) addressed to the parties at the addresses and email addresses referred to in the Summary Pages, or to such other addresses of which either party may designate by notice to the other party. Notices will be deemed given one (1) business day after being sent.

c. Entire Agreement. This Agreement and the documents referenced herein set forth the entire understanding of the parties and supersedes any and all prior agreements, memoranda, arrangements and understandings relating to the subject matter hereof. No representation, warranty, promise, inducement or statement of intention has been made by any party which is not contained in this Agreement, and no party shall be bound by, or be liable for, any alleged representation, promise, inducement or statement of intention not contained herein.

d. Law Governing; Dispute Resolution. This Agreement shall be construed in accordance with and governed by the internal laws, and not the law of conflicts, of the State of Texas. Any and all disputes arising from this Agreement shall be submitted to the state or federal courts located in Dallas County, Texas; except that (i) either party may seek injunctive or other extraordinary relief in any court of competent jurisdiction, and (ii) prior to bringing suit, Buyer and Seller agree to (x) first informally negotiate any disputes arising under this Agreement within 10 days of written notice, and (y) if unable to resolve the dispute by informal negotiations, to mediate the dispute before an agreed mediator in Dallas County, Texas, with any costs of the mediator to be equally split between Buyer and Seller. Notwithstanding the foregoing, neither Buyer nor Seller will be required to mediate an action for injunctive relief related to a breach related to confidential information or infringement of any trademarks, and such action for injunctive relief may be brought in any court of competent jurisdiction.

e. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

f. Severability. If any provision of this Agreement or the application thereof to any person, entity or circumstance shall for any reason or to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons, entities or circumstances shall not be affected thereby, but, rather, shall be enforced to the extent consistent with the intent of the parties hereto and permitted by law. Furthermore, in lieu of such an illegal, invalid or unenforceable provision, there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid or enforceable.

g. Heading. The Section headings in this Agreement are for reference purposes only and shall not affect the interpretation of this Agreement.

h. Assignment. Seller may assign its rights hereunder to any affiliate or third party reasonably capable of performing as the “Seller” hereunder. Buyer shall not sell, assign, delete, or otherwise transfer any of its rights or obligations hereunder without the prior written consent of Seller.

i. Confidentiality. Except as required by applicable law, Buyer (a) shall keep any and all Confidential Information of Seller strictly confidential, (b) shall not disclose or use any Confidential Information of Seller to the detriment of Seller, and (c) shall not disclose or use any Confidential Information for the benefit of any other person or for any purpose or in connection with any business, transaction, or matter other than as permitted under the Franchise Agreement (as defined in the Recitals). For the purposes of this Agreement, “Confidential Information” means (i) this Agreement, (ii) any exhibit, schedule or other document to be provided by Seller at Closing, and (iii) the following items, whether in writing, electronically, orally or otherwise, relating to Seller, the Business or Franchisor’s franchise system: trade secrets, proprietary information, business plans, marketing plans, computer data and programs, methodologies, operations manuals, reports, records, financial information, sales information, capital expenditure information, compensation and benefit information, cost and pricing information, potential industry partners and contacts with such partners, customer and potential customer lists and contact information, supplier lists and contact information, vendor lists and contact information, and the names and backgrounds of key personnel and personnel training techniques and materials, however documented. Notwithstanding the foregoing, “Confidential Information” shall not include any information that (i) is or becomes publicly available other than as a result of the acts of Buyer in violation of this Agreement or (ii) is or becomes available to Buyer from a source that, to the knowledge of Buyer after reasonable inquiry, is not bound by a confidentiality agreement with Seller prohibiting such disclosure. After Closing, Seller and Franchisor may disclose this Agreement and information regarding the transaction contemplated by this Agreement as they deem necessary, including by way of public announcement or as needed for franchise sales purposes.

j. Publicity. All notices to third parties and all other publicity concerning the transaction contemplated in this Agreement must be approved by Seller in writing, which approval shall not be unreasonably withheld or unduly conditioned or delayed.

k. Further Assurances. Buyer and Seller hereto agree to execute any and all such further agreements, instruments or documents, and to take any and all such further action, as may be necessary or desirable to carry into effect the purpose and intent of this Agreement.

l. Counterparts. This Agreement may be executed in multiple counterparts, all of which shall together be deemed to constitute one final agreement, and each such counterpart shall be deemed to be an original, binding the party who subscribed it. A signature transmitted by DocuSign or its equivalent, or by email, shall be deemed an original signature that is effective and binding for all purposes.

m. Amendments; Waiver. This Agreement cannot be changed or terminated orally and no waiver of compliance with any provision or condition hereof and no consent provided for herein shall be effective unless evidenced by an instrument in writing duly executed by the party hereto sought to be charged with such waiver or consent. No waiver of any term or provision hereof shall be construed as a further or continuing waiver of such term or provision or any other term or provision.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, Buyer and Seller has executed this Agreement as of the Effective Date set forth above.

<p><u>SELLER</u> [Insert Name of Seller], [Insert Seller Entity Type]</p> <p>By: _____ Title: _____ Name: _____ Date: _____</p>	<p><u>SELLER'S ADDRESS FOR NOTICES</u> 8940 Western Way, Suite #2 Jacksonville, FL 32256</p>
<p><u>BUYER</u> [Insert Name of Buyer], [Insert Buyer Entity Type]</p> <p>By: _____ Title: _____ Name: _____ Date: _____</p>	<p><u>BUYER'S ADDRESS FOR NOTICES</u> [Insert Buyer's Address]</p>
<p><u>BUYER'S OWNERS</u></p> <p>By: _____ Name: _____ Date: _____</p> <p>By: _____ Name: _____ Date: _____</p> <p>By: _____ Name: _____ Date: _____</p> <p>By: _____ Name: _____ Date: _____</p>	<p><u>BUYER'S OWNERS ADDRESS FOR NOTICES</u> [Insert Buyer's Address]</p>

EXHIBIT A

LIST OF ASSETS / EXCLUDED ASSETS

The following is a list of the Assets which are to be sold, assigned, and transferred to Buyer pursuant to the terms and conditions set forth in the Asset Purchase Agreement:

1. [All owned or leased vehicles (if any) used exclusively in the Business, leasehold improvements (if any); contracts/leases for use or maintenance of personal property used in the Business (including POS, alarm, credit card and other transferable contracts); furniture; fixtures; equipment; computers, printers and software and related licenses; transferable business licenses and inventory and supplies located at the Business.]

The following is a list of the Excluded Assets which are not to be sold, assigned, and transferred to Buyer pursuant to the terms and conditions set forth in the Asset Purchase Agreement:

1. any assets of Seller that do not relate to and are not used or held for use in connection with the Business, unless otherwise specifically described above as Assets to be sold, assigned and transferred to Buyer;
2. contract/leases, the scope of which include businesses other than the Business (the parties will cooperate in good faith to determine alternative arrangements for any such contracts/leases and such alternative arrangements must be mutually agreed upon on or before Closing);
3. existing development, franchise, license or other type of operating agreement applicable to the Business (if any);
4. any tangible real or personal property, including business records, used in support of the Business that is not located at the Business, including computers, printers and cell phones for off-site employees that are not Business employees;
5. insurance policies and proceeds therefrom;
6. all claims against third parties relating to periods prior to the Closing Date, including rebates or refunds;
7. the certificate of incorporation, minute books, tax returns, books of account or other records having to do with the organization of Seller;
8. the rights which will accrue to Seller under this Agreement;
9. any bank accounts or lock boxes of Seller;
10. any cash or cash equivalents held by Seller of up to \$2,000;
11. the rights of Seller under any contract or agreement, other than the Assumed Liabilities;
12. any personnel files of Business employees; provided, however, Buyer will be entitled to receive copies of personnel files of all employees;

13. incident logs or other similar records relating to the operations of the Business; and
14. any other assets on which the parties mutually agree in writing on or before Closing.

With respect to any vehicles, information on the Vehicle(s) is below:

Make of Vehicle	Model	Year of manufacture	Vehicle Identification Number	Is the vehicle owned or leased	Location

IN WITNESS WHEREOF, this Bill of Sale has been duly executed on behalf of Seller as an instrument under seal effective as of the date first mentioned above.

<p><u>SELLER</u> [Insert Name of Seller], [Insert Seller Entity Type]</p> <p>By: _____ Title: _____ Name: _____ Date: _____</p>	<p><u>SELLER'S ADDRESS FOR NOTICES</u> 8940 Western Way, Suite #2 Jacksonville, FL 32256</p>
<p><u>BUYER</u> [Insert Name of Buyer], [Insert Buyer Entity Type]</p> <p>By: _____ Title: _____ Name: _____ Date: _____</p>	<p><u>BUYER'S ADDRESS FOR NOTICES</u> [Insert Buyer's Address]</p>
<p><u>BUYER'S OWNERS</u></p> <p>By: _____ Name: _____ Date: _____</p>	<p><u>BUYER'S OWNERS ADDRESS FOR NOTICES</u> [Insert Buyer's Address]</p>

EXHIBIT C

LIST OF ASSUMED LIABILITIES

The following is a list of the Liabilities that are to be assumed by Buyer pursuant to the terms and conditions set forth in the Asset Purchase Agreement:

- 1) Real estate lease agreement(s) for the Business Location(s)/Storage Facility Location(s)
- 2)

EXHIBIT D

ALLOCATION OF PURCHASE PRICE

Purchase price: \$

Assets: \$

Inventory: \$

Goodwill: \$

EXHIBIT G
FORM OF GENERAL RELEASE

FORM OF GENERAL RELEASE

[Current Form for Transfers and Renewals]

1. **Release of Claims.** Franchisee and its Principal Owners and their respective assigns, heirs, representatives, agents, family members, and all other persons acting on their behalf or claiming under them (collectively referred to as the “Franchisee Related Parties”) irrevocably and unconditionally release and forever discharge Franchisor, its predecessors, subsidiaries, affiliates and their respective owners, officers, directors, agents, independent contractors, servants, employees, representatives, attorneys, successors and assigns and all persons acting by, through, under or in concert with any of them (collectively “Releasees”), from all actions, causes of action, suits, debts, liens, contracts, agreements, obligations, promises, liabilities, claims, rights, demands, damages, controversies, losses, costs, and expenses (including attorneys’ fees and costs actually incurred) of any nature whatsoever, known or unknown, suspected or unsuspected, fixed or contingent (“Claim” or “Claims”), which they now have or claim to have or at any time heretofore have had or claimed to have against each or any of the Releasees, including, without limitation, any and all such Claims arising from, based upon or related to the Franchise Agreement.

2. **Unknown Claims.**
 - (a) Franchisee acknowledges for itself and the Franchisee Related Parties that there is a risk that subsequent to the execution of this Agreement, it will discover, incur or suffer Claims which are unknown or unanticipated at the time this Agreement is executed, including, without limitation, unknown or unanticipated Claims which arose from, are based upon or are related to the Franchise Agreement or some part or aspect thereof, which if known by Franchisee on the date this Agreement is being executed may have materially affected its decision to execute this Agreement.

 - (b) Franchisee acknowledges and agrees for itself and the Franchisee Related Parties that by reason of the release contained in Section 1 above, it is assuming the risk of such unknown and unanticipated Claims and agrees that its release of the Releasees contained in this Agreement applies thereto.

3. **Covenant Not to Sue.** Franchisee covenants and agrees for itself and for the Franchisee Related Parties not to bring or allow to be brought on behalf of itself or any Franchisee Related Party, any action, cause of action, suit or other proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law or statute, contract, tort, or in equity, for actual or punitive damages or other relief, against Franchisor and the Releasees arising out of, resulting from, or in any manner related to the matters referenced in Section 1.

4. **No Assignment of Claims.** Franchisee represents and warrants for itself and the Franchisee Related Parties that it has not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claims released under Section 1 of this Agreement and agrees to indemnify, defend and hold the Releasees harmless from and against any and all Claims, based on or arising out of any such assignment or transfer, or purported assignment or transfer, of any Claims, or any portion thereof or interest therein. Franchisee represents and warrants that since the date of the Franchise Agreement, there has been no assignment or transfer, and no purported assignment or transfer, to any person or entity of the Franchisee, the Franchise Agreement, or any rights or interests therein or in the Franchisee.

5. **Full and Independent Knowledge.** Franchisee represents that it has been represented by an attorney in connection with the preparation and review of this Agreement, that it has specifically discussed with its attorney the meaning and effect of this Agreement and that it has carefully read and understands the scope and effect of each provision contained herein. Franchisee further represents that it does not rely and has not relied upon any representation or statement made by the Franchisor or, any of the Releasees or any of their representatives with regard to the subject matter, basis or effect of this Agreement.
6. **Compromise.** Franchisee agrees for itself and the Franchisee Related Parties that the releases contained herein are the result of a compromise and shall never at any time for any purpose be considered as an admission of liability or responsibility on the part of Franchisor or the Releasees regarding any matter.
7. **General Provisions.**
 - (a) **Entire Agreement.** This Agreement, when fully executed, supersedes all previous negotiations, representations, and discussions by the parties hereto concerning the subject matter hereof and integrates the whole of all of their agreements and understandings concerning the subject matter hereof. No oral representations or undertakings concerning the subject matter hereof shall operate to amend, supersede, or replace any of the terms or conditions set forth herein.
 - (b) **Authority.** By their signatures below, the parties hereto represent and warrant to each other that they have all necessary authority to enter into this Agreement. Each party hereto represents and warrants that the party is entering into this Agreement solely for the purposes and consideration set forth herein.
 - (c) **Counterpart Execution.** This Agreement may be executed in multiple counterparts, each of which shall be fully effective as an original.
 - (d) **Survival.** All covenants, representations, warranties, and agreements of the parties shall survive execution and delivery of this Agreement and shall continue until such time as all the obligations of the parties hereto shall have lapsed in accordance with their respective terms or shall have been discharged in full.
 - (e) **Further Assurance.** The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Agreement.
 - (f) **Complete Defense.** Franchisee acknowledges that this Agreement shall be a complete defense to any claim released under the terms of Section 1 of this Agreement and hereby consents to the entry of a temporary or permanent injunction to end the assertion of any such claim.
 - (g) **Attorneys' Fees.** In the event that Franchisor institutes legal proceedings of any kind to enforce this Agreement, Franchisee agrees to pay all costs and expenses associated therewith, including, but not limited to, all attorneys' fees.
 - (h) **Maryland and Washington.** Notwithstanding anything to the contrary herein, this General Release does not apply with respect to claims arising under the Maryland Franchise Registration and Disclosure Law or the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

MosquitoNix Franchise, LLC

By:

Name:

Title:

FRANCHISEE

By:

Name:

Title:

[Add signature blocks for any additional parties identified pursuant to Section 1]

EXHIBIT H

STATE ADMINISTRATORS/ AGENTS FOR SERVICE OF PROCESS

STATE ADMINISTRATORS

CALIFORNIA

Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7505 or (866) 275-2677
Website: <http://www.dfpi.ca.gov/>
Email: Ask.DFPI@dfpi.ca.gov

HAWAII

Department of Commerce & Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(312) 814-3892

INDIANA

Indiana Secretary of State
302 W. Washington St., Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND

Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-7042

MICHIGAN

Department of the Attorney General
Consumer Protection Division
Franchise Section
G. Mennen Williams Building, 1st Floor
525 W. Ottawa Street
Lansing, MI 48913

MINNESOTA

Commissioner of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
(612) 296-6328

NEW YORK

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st FL
New York, NY 10005
212-416-8222

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard Avenue,
State Capitol, 14th Floor, Dept 414
Bismarck, ND 58505-0510
701-328-4712

RHODE ISLAND

Director of Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920
(401) 222-3048

SOUTH DAKOTA

Department of Labor and Regulation
Division of Securities
124 S Euclid, Suite 104
Pierre SD 57501
(605) 773-4013

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

WASHINGTON

Securities Division,
Department of Financial Institutions
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8760

WISCONSIN

Division of Securities
Department of Financial Institutions
P.O. Box 1768
Madison, Wisconsin 53701 or
345 West Washington Avenue, 4th Floor
Madison, Wisconsin 53703
(608) 266-8559

AGENTS FOR SERVICE OF PROCESS

CALIFORNIA

Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
Website: <http://www.dfpi.ca.gov/>
Email: Ask.DFPI@dfpi.ca.gov

HAWAII

Commissioner of Securities
Department of Commerce and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

INDIANA

Indiana Secretary of State
302 West Washington, Room E-111
Indianapolis, Indiana 46204

MARYLAND

Securities Commissioner
Office of the Attorney General
Maryland Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Department of Labor & Economic Growth
Corporations and Securities Bureau
611 Ottawa Street
Lansing, Michigan 48909

MINNESOTA

Commissioner of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101

NEW YORK

Secretary of State
99 Washington Avenue
Albany, NY 12231

NORTH DAKOTA

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue,
State Capitol, 14th Floor, Dept 414
Bismarck, ND 58505-0510
701-328-4712

OREGON

Director
Department of Consumer and Business Services
Division of Finance and Corporate Securities
Labor and Industries Building
Salem, Oregon 97310

RHODE ISLAND

Director of Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA

Department of Labor and Regulation
Division of Securities
124 S Euclid, Suite 104
Pierre SD 57501
(605) 773-4013

VIRGINIA

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

WASHINGTON

Director of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98504

WISCONSIN

Commissioner of Securities
Division of Securities
Department of Financial Institutions
345 W. Washington Avenue, 4th Floor
Madison, Wisconsin 53703

EXHIBIT I

STATE ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT
FOR THE FRANCHISE REGISTRATION STATES

Required NASAA Statement. *The following only applies in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin:*

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.

**ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA**

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

1. Item 3 of the Disclosure Document is supplemented by the following language:

Neither we nor any person or franchise broker identified 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 that association or exchange.

2. Item 6 of the Disclosure Document is supplemented to reflect that 10% per annum is the highest interest rate allowed in California.

3. Item 17 of the Disclosure Document is supplemented by the following language:

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

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

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

The Franchise Agreement requires application of the laws of Texas. This provision may not be enforceable under California law.

The Franchise Agreement requires submission of dispute to courts located in Texas. This provision may not be enforceable under California law.

The Franchise Agreement requires you to waive your right to a trial by jury. This provision may not be enforceable under California law.

The California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Corporations, prior to a solicitation of a proposed material modification of an existing franchise.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damage clauses are unenforceable.

You must sign a general release if you 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).

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

5. OUR WEBSITE (www.mosquitonix.com) 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.
6. 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.

**ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF 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.

**ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS**

The State Cover Page, Item 5 and Item 17 of this disclosure document are amended by adding the following:

1. All initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

2. Illinois law governs the Franchise Agreement.

3. 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.

4. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

5. 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.

6. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. In addition to your Market Entry Campaign expenditures, you are required to spend at least \$42,000 during your first Agreement Year on approved local marketing in your Territory for your Business (your "Local Marketing Requirement"), but we actually recommend that you spend at least \$60,000 during the first Agreement Year. We will credit your Market Entry Campaign spending against your Local Marketing Requirement for your first Agreement Year.

**ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND**

1. Item 5 is amended to add the following:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

2. Item 11 is amended to reflect that, for franchisees in Maryland, we will prepare an unaudited accounting of Advertising Fund contributions and expenditures annually and you may request a copy of the results of that accounting upon written request.

3. Item 17, under the Summary column of parts (c) and (m), is amended to include the following paragraph:

A general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. Item 17, under the Summary column of part (h), is amended to include the following sentence:

A provision in the Franchise Agreement that provides for termination on your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. Item 17, under the Summary column of part (v), is modified to include the words "A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

6. Item 17 is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

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.

**ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA**

1. The following is added to Item 17 of the Disclosure Document:

Under Minnesota law and except in certain specified cases, we must give you 90 days' notice of termination with 60 days to cure. We also must give you at least 180 days' notice of its intention not to renew a franchise, and sufficient opportunity to recover the fair market value of the franchise as a going concern. To the extent that the Agreement is inconsistent with the Minnesota law, the Minnesota law will control.

To the extent that any condition, stipulation or provision contained in the Agreement (including any choice of law provision) purports to bind any person who, at the time of acquiring a franchise is a resident of Minnesota, or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance with the Minnesota Franchises law, such condition, stipulation or provision may be void and unenforceable under the nonwaiver provision of the Minnesota Franchises Law.

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 or 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. Specifically, we cannot require you to consent to us obtaining injunctive relief, however, we may seek such relief through the court system.

Minn. Rule 2860.4400J prohibits us from requiring you to assent to a general release. To the extent that the Agreement requires you to sign a general release as a condition of renewal or transfer, the Agreement will be considered amended to the extent necessary to comply with Minnesota law.

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF 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 A OR YOUR PUBLIC LIBRARY FOR RESOURCES 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 ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions other than routine litigation incidental to the business that is 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 ten years 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.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for a

franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the nonwaiver 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 a 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 the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

**ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF NORTH DAKOTA**

1. Items 6 and 17(i) of this disclosure document are amended to reflect that all liquidated damages provisions in the Franchise Agreement (Section 15.4) are deleted in their entirety.
2. Item 17(r) of this disclosure document is amended to reflect that covenants not to compete such as those contained in the Franchise Agreement are generally considered unenforceable in the State of North Dakota.
3. Item 17(v) of this disclosure document is amended to reflect that the jury trial waiver provisions in Section 17.3 of the Franchise Agreement are deleted in their entirety.
4. Item 17(w) of this disclosure document is amended to reflect that the choice of law provisions in the Franchise Agreement may not be enforceable in the State of North Dakota.
5. Notwithstanding Section 17.6 of the Franchise Agreement requiring the franchisee to consent to a waiver of exemplary and punitive damages, this provision is deleted in its entirety.
6. Notwithstanding Section 17.7 of the Franchise Agreement requiring the franchisee to consent to a limitation of claims within one year, the provision is changed to read the statute of limitations under North Dakota Law will apply.
7. Notwithstanding Section 17.8 of the Franchise Agreement stipulating that the franchisee shall pay all costs and expenses incurred by the franchisor in enforcing the Franchise Agreement, the provision is changed to read that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.
8. Notwithstanding anything in Item 5 of the disclosure document or in the Franchise Agreement, franchisor will defer all payment of all fees and other payments to franchisor until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.
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.

**ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF RHODE ISLAND**

The following language will apply to Disclosure Documents issued in Rhode Island and be attached by addendum to Agreements issued in the state of Rhode Island:

If any of the provisions of this disclosure document (Risk Factor 1., Cover Page, and Item 17) are inconsistent with §19-28.1-14 of the Rhode Island Franchise Investment Act, which states that a provision in an Agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act, then said Rhode Island law will apply.

**ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF SOUTH DAKOTA**

The following language will apply to Disclosure Documents issued in South Dakota and be attached by addendum to Agreements issued in the state of South Dakota:

Payment of the initial franchise fee, initial training fee, opening package purchase and pre-opening marketing materials owed to us will be deferred until we have met our initial obligations to you and you have commenced doing business. This financial assurance requirement was imposed by the South Dakota Securities Regulation Office due to our financial condition.

**ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA**

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17 of the Franchise Disclosure Document for use in the Commonwealth of Virginia is amended as follows:

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 ground for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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.

Any securities offered or sold by the franchisee as part of the MosquitoNix Franchise, LLC Restaurant must either be registered or exempt from registration under Section 13.1-514 of the Virginia Securities Act.

**ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WASHINGTON**

**WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT,
THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** 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.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the

franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgment.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** 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.

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business. Initial fees for the purposes of this deferral include all initial franchise fees described in Item 5 of the Franchise Disclosure Document.

20. Notwithstanding Item 6 and the Franchise Agreement, we will not charge you for any taxes charged to us based on your ongoing purchases and fees.

21. Notwithstanding Item 6 and Section 15.4(a) of the Franchise Agreement, the liquidated damages you will pay to us under Section 15.4(a) of the Franchise Agreement will be calculated using the royalty fees only and will be based solely on the royalty fees that would have been paid to us during the next 24 month period under the Franchise Agreement.

22. Notwithstanding Item 6 and Section 17.8 of the Franchise Agreement, you must pay us all damages, costs, and expenses (including legal and court costs and reasonable legal fees) that we incur in enforcing our rights under this Agreement, including, without limitation those incurred in obtaining injunctive or other relief, only if we are the substantially prevailing party in a legal action.

23. Notwithstanding Item 17 and Section 13 of the Franchise Agreement, we will not unreasonably withhold our consent to a proposed transfer in the State of Washington.

24. Notwithstanding Item 17 and Section 13 of the Franchise Agreement, we will provide you a minimum of 180 days after the franchisee’s death or permanent disability to affect a transfer in the State of Washington.

25. The following Risk Factor is added to the State Page:

Use of Franchise Brokers. The franchisor uses the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor’s current and former franchisees to ask them about their experience with the franchisor.

EXHIBIT J
STATE EFFECTIVE DATES

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPTS

**ITEM 23
RECEIPT
(Your copy to keep)**

This Disclosure Document summarizes provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If MosquitoNix Franchise, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that MosquitoNix Franchise, LLC provide you with this disclosure document at the earlier of the first personal meeting or ten business days before you sign a binding agreement with, or make payment to, MosquitoNix Franchise, LLC or one of its affiliates in connection with the proposed sale or grant. Michigan requires that MosquitoNix Franchise, LLC provide you with this disclosure document ten business days before you sign a binding agreement with, or make payment to, MosquitoNix Franchise, LLC or one of its affiliates in connection with the proposed sale or grant.

If MosquitoNix Franchise, LLC does not deliver this disclosure document on time, or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20590 or the appropriate state agency listed in Exhibit H.

The names, principal business addresses, and telephone numbers of the franchise sellers offering the franchise is:

Name	Principal Business Address	Telephone Number
Michael O’Neal, Jennifer O’Neal, Jennifer Gracheck, and F. Dan O’Neal	8940 Western Way Ste. #2 Jacksonville, FL 32256	855-808-BUGS (2847)
Allilson Zorich, Courtney Webb, Drew Chalfant, Emily Romero, Gayle Longmore, Jordan Reed, Jordan Stefnick, Kris Longmore, Kimberly Youngbeck, Lacy Williams, Michael Tilbrooke, Raymond Reichard, Tressa Gregory, Kristan Henderson, Brandon Johnson, Whitney Shepherd, Sung Ohm, and Jennifer Gracheck	19460 Old Jetton Rd., Ste 204, Cornelius, NC 28031	(704) 209-4310

Issuance Date: April 30, 2025

I received a disclosure document dated April 30, 2025. The disclosure document included the following Exhibits and Attachments:

- Exhibit A – Financial Statements
- Exhibit B – Franchise Agreement (with attachments and exhibits)
- Exhibit C – List of Franchised Outlets
- Exhibit D – List of Franchisees Who Have Left the System
- Exhibit E – Brand Standards Manual Table of Contents
- Exhibit F – Form of Refranchising Asset Purchase Agreement
- Exhibit G – Form of General Release
- Exhibit H – State Administrators/Agents for Service of Process
- Exhibit I – State Addenda to Franchise Disclosure Document
- Exhibit J – State Effective Dates

PROSPECTIVE FRANCHISEE:

Print Name: _____
Date: _____

PROSPECTIVE FRANCHISEE:

Print Name: _____
Date: _____

ITEM 23
RECEIPT
(Sign receipt and return to us)

This Disclosure Document summarizes provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If MosquitoNix Franchise, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that MosquitoNix Franchise, LLC provides you with this disclosure document at the earlier of the first personal meeting or ten business days before you sign a binding agreement with, or make payment to, MosquitoNix Franchise, LLC or one of its affiliates in connection with the proposed sale or grant. Michigan requires that MosquitoNix Franchise, LLC provide you with this disclosure document ten business days before you sign a binding agreement with, or make payment to, MosquitoNix Franchise, LLC or one of its affiliates in connection with the proposed sale or grant.

If MosquitoNix Franchise, LLC does not deliver this disclosure document on time, or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20590 or the appropriate state agency listed in Exhibit H.

The names, principal business addresses, and telephone numbers of the franchise sellers offering the franchise is:

Name	Principal Business Address	Telephone Number
Michael O’Neal, Jennifer O’Neal, Jennifer Gracheck, and F. Dan O’Neal	8940 Western Way Ste. #2 Jacksonville, FL 32256	855-808-BUGS (2847)
Allilson Zorich, Courtney Webb, Drew Chalfant, Emily Romero, Gayle Longmore, Jordan Reed, Jordan Stefnick, Kris Longmore, Kimberly Youngbeck, Lacy Williams, Michael Tilbrooke, Raymond Reichard, Tressa Gregory, Kristan Henderson, Brandon Johnson, Whitney Shepherd, Sung Ohm, and Jennifer Gracheck	19460 Old Jetton Rd., Ste 204, Cornelius, NC 28031	704-608-0427

Issuance Date: April 30, 2025

I received a disclosure document dated April 30, 2025. The disclosure document included the following Exhibits and Attachments:

- Exhibit A – Financial Statements
- Exhibit B – Franchise Agreement (with attachments and exhibits)
- Exhibit C – List of Franchised Outlets
- Exhibit D – List of Franchisees Who Have Left the System
- Exhibit E – Brand Standards Manual Table of Contents
- Exhibit F – Form of Refranchising Asset Purchase Agreement
- Exhibit G – Form of General Release
- Exhibit H – State Administrators/Agents for Service of Process

Exhibit I – State Addenda to Franchise Disclosure Document
Exhibit J – State Effective Dates

PROSPECTIVE FRANCHISEE:

PROSPECTIVE FRANCHISEE:

Print Name: _____
Date: _____

Print Name: _____
Date: _____