

## FRANCHISE DISCLOSURE DOCUMENT



The Seals Franchising, LLC  
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We grant franchises known as “The Seals,” a business specializing in the sale and installation of gaskets for refrigeration door units, freezer doors, oven doors, hardware and cutting boards.

The total investment necessary to begin operation of The Seals franchise ranges from \$101,200 to \$147,300. This includes \$50,497 that must be paid to the franchisor or affiliate.

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 government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact David Wells at The Seals Franchising, LLC, 6700 Forum Drive, Suite 150, Orlando, Florida 32821, telephone: (800) 231-6814.

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this Disclosure Document is available from the Federal Trade Commission (“FTC”). 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](http://www.ftc.gov) for additional information on franchising. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 30, 2025

### Special Risks to Consider About *This* Franchise

Certain states require 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 or arbitration only in the State of Florida. Out-of-state mediation or arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or arbitrate with the franchisor in Florida than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
4. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
5. **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.
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.
7. **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.

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.

TABLE OF CONTENTS

ITEM 1: THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES ..... 9

ITEM 2: BUSINESS EXPERIENCE ..... 13

ITEM 3: LITIGATION ..... 14

ITEM 4: BANKRUPTCY ..... 14

ITEM 5: INITIAL FEES ..... 14

ITEM 6: OTHER FEES ..... 14

ITEM 7: ESTIMATED INITIAL INVESTMENT ..... 20

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES ..... 21

ITEM 9: FRANCHISEE’S OBLIGATIONS ..... 24

ITEM 10: FINANCING ..... 25

ITEM 11: FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING ..... 25

ITEM 12: TERRITORY ..... 31

ITEM 13: TRADEMARKS ..... 33

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION ..... 35

ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS ..... 36

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL ..... 37

ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION ..... 38

ITEM 18: PUBLIC FIGURES ..... 40

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS ..... 41

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION ..... 41

ITEM 21: FINANCIAL STATEMENTS ..... 43

ITEM 22: CONTRACTS ..... 43

ITEM 23: RECEIPTS ..... 44

EXHIBIT A: LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS 45

EXHIBIT B-1: FINANCIAL STATEMENTS ..... 47

EXHIBIT B-2: GUARANTY OF PERFORMANCE ..... 69

EXHIBIT C: FRANCHISE AGREEMENT ..... 70

EXHIBIT D: CONFIDENTIALITY/NONDISCLOSURE AGREEMENT ..... 119

EXHIBIT E: LIST OF FRANCHISE OWNERS ..... 122

EXHIBIT F: LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM ..... 123

EXHIBIT G: FRANCHISEE COMPLIANCE CERTIFICATION ..... 124

EXHIBIT H: STATE ADDENDA ..... 127

<u>EXHIBIT I: SAMPLE FORM OF GENERAL RELEASE.....</u>	<u>147</u>
<u>EXHIBIT J: STATE EFFECTIVE DATES.....</u>	<u>150</u>
<u>EXHIBIT K: RECEIPT.....</u>	<u>151</u>
<u>ITEM 1: THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES.....</u>	<u>10</u>
<u>ITEM 2: BUSINESS EXPERIENCE.....</u>	<u>14</u>
<u>ITEM 3: LITIGATION.....</u>	<u>15</u>
<u>ITEM 4: BANKRUPTCY.....</u>	<u>15</u>
<u>ITEM 5: INITIAL FEES.....</u>	<u>15</u>
<u>ITEM 6: OTHER FEES.....</u>	<u>16</u>
<u>ITEM 7: ESTIMATED INITIAL INVESTMENT.....</u>	<u>21</u>
<u>ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....</u>	<u>22</u>
<u>ITEM 9: FRANCHISEE’S OBLIGATIONS.....</u>	<u>25</u>
<u>ITEM 10: FINANCING.....</u>	<u>26</u>
<u>ITEM 11: FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING.....</u>	<u>26</u>
<u>ITEM 12: TERRITORY.....</u>	<u>33</u>
<u>ITEM 13: TRADEMARKS.....</u>	<u>35</u>
<u>ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.....</u>	<u>37</u>
<u>ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....</u>	<u>38</u>
<u>ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....</u>	<u>39</u>
<u>ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION.....</u>	<u>39</u>
<u>ITEM 18: PUBLIC FIGURES.....</u>	<u>42</u>
<u>ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS.....</u>	<u>43</u>
<u>ITEM 20: OUTLETS AND FRANCHISEE INFORMATION.....</u>	<u>43</u>
<u>ITEM 21: FINANCIAL STATEMENTS.....</u>	<u>45</u>
<u>ITEM 22: CONTRACTS.....</u>	<u>45</u>
<u>ITEM 23: RECEIPTS.....</u>	<u>46</u>
<u>EXHIBIT A: LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS.....</u>	<u>47</u>
<u>EXHIBIT B-1: FINANCIAL STATEMENTS.....</u>	<u>49</u>
<u>EXHIBIT B-2: GUARANTY OF PERFORMANCE.....</u>	<u>71</u>
<u>EXHIBIT C. FRANCHISE AGREEMENT.....</u>	<u>72</u>
<u>EXHIBIT D. CONFIDENTIALITY/NONDISCLOSURE AGREEMENT.....</u>	<u>121</u>
<u>EXHIBIT E. LIST OF FRANCHISE OWNERS.....</u>	<u>124</u>
<u>EXHIBIT F. LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM.....</u>	<u>125</u>
<u>EXHIBIT G. FRANCHISEE COMPLIANCE CERTIFICATION.....</u>	<u>126</u>
<u>EXHIBIT H. STATE ADDENDA.....</u>	<u>129</u>

EXHIBIT I: SAMPLE FORM OF GENERAL RELEASE ..... 151

EXHIBIT J: STATE EFFECTIVE DATES..... 154

EXHIBIT K: RECEIPT ..... 155

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

To simplify the language in this Disclosure Document, “We,” “Us,” “the Company,” or “The Seals” refers to The Seals Franchising, LLC, the Franchisor (excluding the Company’s officers, directors, agents, and employees). “You” or “Franchisee” refers to the individual who purchases a franchise from us. If you are a corporation, partnership, or other entity, our Franchise Agreement will also apply to your owners, officers, and directors. Unless otherwise indicated, the term “Franchised Business” or “Office” means a franchised The Seals Office.

~~——— If, in our sole business judgment, we accept you as a franchisee, you will develop and operate the Franchised Business, offering the services under the terms and conditions of the Franchise Agreement. Under the terms of your Franchise Agreement, you will use the trademarks and service marks we designate (the “Trademarks”) during the term in connection with the operation of the Franchised Business. We may change, replace, or alter the Trademarks at any time during the term of your Franchise Agreement, provided that we give you notice, and you will be required to comply with all designated changes. You must operate the Franchised Business following The Seals franchise system (the “System”), which may include distinctive services and products, designated and approved suppliers, sales and business techniques, operational guidelines, initial and ongoing training programs, and procedures following our specified standards and procedures. As stated above, you will enter into a Franchise Agreement (attached as Exhibit C) for your Franchised Business.~~

### **The Franchisor, Parents, Predecessors, and Affiliates**

We are a North Carolina limited liability company created in August 2019. Our principal business address is 6700 Forum Drive, Suite 150, Orlando, Florida 32821, and the telephone number is (800) 231-6814. We conduct business under our corporate name and “The Seals.” We have offered franchises since 2019. We do not operate a business of the type being offered in this disclosure document. We have not conducted business in any other line of business or offered franchises in any other line of business. We have no other business activities. As of December 31, 2024, we have five franchises and one company store, all located in the United States.

Our agents for service of process are listed in Exhibit A to this Disclosure Document. We are in the Business of administering franchise systems.

On February 3, 2025, Clintar, Inc. acquired 100% of the membership interests of The Seals Franchising, LLC. As a result of this transaction, our parent is Clintar, Inc. d/b/a EverSmith Brands (“EverSmith Brands”), a Delaware corporation formed on July 2, 2021, with an address at 6700 Forum Drive, Suite 150, Orlando, FL 32821. EverSmith Brands’ parent is EverSmith Brands Intermediate Holding Company (f/k/a Clintar Intermediate Holding Company), a Delaware corporation formed on November 25, 2020, and EverSmith Brands Holding Company (f/k/a Clintar Holding Company), a Delaware corporation formed on November 25, 2020, each with an address of 6700 Forum Drive, Suite 150, Orlando, FL 32821. EverSmith Brands Holding Company (f/k/a Clintar Holding Company) is directly or indirectly controlled by Riverside Micro-Cap Fund V, L.P. and Riverside Micro-Cap Fund V-A, L.P. which are part of The Riverside Company, a global private equity firm focused on investing in and acquiring growing businesses and it maintains its principal business address at 45 Rockefeller Center, 630 Fifth Avenue, Suite 400, New York, NY 10111.

Through various private equity funds managed by The Riverside Company the following portfolio companies of The Riverside Company offer franchises in the United States:

#### **EverSmith Brands**

U.S. Lawns, Inc. (“U.S. Lawns”) has offered franchises under the mark “U.S. Lawns” since August 1986. U.S. Lawns’ principal business address is 6700 Forum Drive, Suite 150, Orlando, FL 32821. A U.S. Lawn franchise offers outdoor commercial property and landscaping services. As of December 31, 2024, U.S. Lawns had 210 franchises operating in the United States.

MilliCare Franchising, LLC (“MilliCare”) and its predecessors have offered franchises since January 2011. MilliCare’s principal business address is 6700 Forum Drive, Suite 150, Orlando, FL 32821. A MilliCare franchise offers cleaning and maintenance of floor coverings and interior finishes and related services under the mark “milliCare Floor & Textile Care.” As of December 31, 2024, MilliCare had 59 franchises operating in the United States.

December 2020. Mold Medics' principal business address is 811 Washington Avenue, Carnegie, PA 15106. A Mold Medics franchise offers mold remediation, air duct cleaning, radon testing and mitigation services, and other services and products. As of December 31, 2024, Mold Medics had 6 franchise operating in the United States.

Sir Grout Franchising, LLC ("Sir Grout") has offered franchises under the "Sir Grout" mark since August 2007. Sir Grout's principal business address is 77 North Washington Street, Boston, MA 02114. A Sir Grout franchise offers grout and tile cleaning, sealing, caulking and restoration services and other services. As of December 31, 2024, Sir Grout had 71 franchises operating in the United States.

Miracle Method LLC ("Miracle") and its predecessors have offered franchises under the "Miracle Method" mark since September 1996. Miracle's principal business address is 4310 Arrowswest Drive, Colorado Springs, CO 80907. A Miracle Method franchise offers refinishing and restoration of bathtubs, sinks, showers, tiles, countertops, and similar surfaces. As of December 31, 2024, Miracle Method had 201 franchises and 2 master franchises operating in the United States.

PHP Franchise, LLC ("PHP") has offered plumbing service franchises under the mark "Plumbing Paramedics" and heating and air conditioning installation and service franchises operating under the mark "Heating + Air Paramedics" since November 2021. PHP's principal business address is 750 E. 150th Street, Noblesville, IN 46060. As of December 31, 2024, PHP had 15 Plumbing Paramedics and 14 Heating + Air Paramedics franchises operating in the United States.

### The Business Operations

If we accept you as a franchisee, you will develop and operate the Franchised Business, offering the services under the terms and conditions of the Franchise Agreement. Under the terms of your Franchise Agreement, you will use the trademarks and service marks we designate (the "Trademarks") during the term in connection with the operation of the Franchised Business. You must operate the Franchised Business following The Seals franchise system (the "System"), which may include distinctive services and products, designated and approved suppliers, sales and business techniques, operational guidelines, initial and ongoing training programs, and procedures following our specified standards and procedures. As stated above, you will enter into a Franchise Agreement (attached as Exhibit C) for your Franchised Business.

We grant franchises known as "The Seals," a business specializing in the sale and replacement of gaskets for refrigeration door units, freezer doors, oven doors and cutting boards.

Under the Standard Franchise Agreement (the "Franchise Agreement" or the "Agreement"), which is Exhibit C of this Disclosure Document, we offer qualified purchasers the right to establish and operate an Office from a single location (the "Location") within a specified Territory (the "Territory"). The Franchise Agreement gives you the right to operate the Office under the name and mark "The Seals" and other marks designated by us from time-to-time (all referred to as the "Proprietary Marks").

You must operate your franchise in accordance with the ~~standards and procedures designated by the Company (the "System")~~System and according to our Operations Manuals (the "Manual").

### The Market and Competition

The market for The Seals franchises includes all facilities that have commercial refrigeration equipment. You will be working primarily with restaurant Owners, General Managers, Kitchen Managers, and Head Cooks. ~~Replacing commercial refrigeration gaskets is something that kitchen operators must oversee on a regular basis for two compelling reasons: (1) gaskets wear out, and (2) gaskets are required to be replaced by health inspectors if torn or worn out.~~ We also provide our customers with new cutting boards, hot-side gaskets, door sweeps and closers, strip curtains, and hardware repair services, but we do not offer any refrigeration repair services.

In addition to working with restaurants, we also provide services to supermarkets, convenience stores, hotels, colleges, country clubs, school systems, nursing homes, hospitals, and hospitality venues, as well as any establishment that utilizes commercial refrigeration units. We do not anticipate any significant seasonal variations in the market. You will compete with other retail businesses that may sell similar products to their customers, some of which may be franchised. This is an established market.

Brian Sauer has served as a director since our inception and in the same capacity for our affiliates TruServe Groundscare, Inc. since December 2020, MilliCare, Inc., Inc. since September 2021, MilliCare Franchising, LLC since its inception in January 2022, U.S. Lawns since January 2024, and our parent EverSmith Brands since July 2021. Mr. Sauer is a senior partner in The Riverside Company, in its Santa Monica, California offices and has been with the company since 2004.

### **ITEM 3: LITIGATION**

No litigation is required to be disclosed in this Item.

### **ITEM 4: BANKRUPTCY**

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

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

All initial fees are due when you sign the Franchise Agreement and are nonrefundable. All of the fees described in Item 5 are uniformly calculated and imposed.

#### **Initial Franchise Fee**

The Initial Franchise Fee for one franchise is \$49,000. In exchange for the Initial Franchise Fee, you will receive a territory with between 1,000 and 2,500 Retail Food Service Locations (“RFSL”). We are currently offering a discount on purchasing a second The Seals Franchise Agreement. If you buy a second Franchise Agreement at the same time as your first, you’ll receive a \$9,000 discount on the Initial Franchise Fee. If you are approved to purchase an additional The Seals franchise after at least one year of operating experience and provided that you also meet our current expansion requirements (as outlined in Item 12), you may receive a 50% discount on the then-current Initial Franchise Fee. ~~Please note that we reserve the right to~~ We may discontinue this offer at any time, and any such change will be reflected in the then-current FDD. We reserve the right to reduce the Initial Franchise Fee for rural, secondary markets and/ or for conversions of existing businesses that offer similar services.

In our most recent fiscal year, we sold one Franchisee, who paid an Initial Franchise of \$97,000, which was for an oversized territory.

From time to time, we may offer incentive programs to prospective franchisees for a limited time basis. Occasionally, we may establish various franchise expansion programs, which are generally, but not exclusively, available only to existing franchise owners to provide incentives to franchisees to expand their existing franchise territories or service lines. These programs, which are established and maintained at our sole discretion, and uniformly offered to similarly situated prospects or franchisees, may include reduced or rebated fees or certain credits.

#### **Technology Fee**

~~Once you open your Franchised Business, you will be required to begin paying us the then-current Technology Fee, which is currently \$499 per month.~~

#### **Veteran Discount**

We participate in the Veterans Transition Franchise Initiative (commonly referred to as “VetFran”), which seeks to provide opportunities for veterans who want to be in business. If you are a veteran of the U.S. Armed Forces who has been honorably discharged (such as DD214), you may be eligible to receive a \$5,000 discount off the Initial Franchise Fee for the first Franchise / Service Line awarded to you.

#### **Referral Fee**

We pay a referral fee (“Referral Fee”) to any of our current franchisees or those of any affiliated brand if they are the first to refer a new candidate to us who meets our qualifications and signs a Franchise Agreement within six (6) months of the date of referral. ~~Currently, the~~ The Referral Fee is \$10,000 for each successful referral. This incentive payment is only paid for the first franchise purchased by the referred new franchisee, and other limitations may apply.

~~We may change or eliminate the referral program at any time without notice. Franchisees participating in the referral program are not our sales agents and are not authorized to make any statements on our behalf, including any statements related to the financial performance or prospect for success of any franchise.~~

**ITEM 6: OTHER FEES**

<b>Name of Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty Fee	8% - 10% of annual Gross Billings  10% on annual Gross Billings up to \$1,499,999; 9% on annual Gross Billings between \$1,500,000 up to \$2,999,999; and 8% on annual Gross Billings \$3,000,000 and above. You must pay us a minimum monthly royalty of \$750 - \$2,000 depending on how long you have been operating. (See Notes 1 & 2)	By the 15 <sup>th</sup> day of the following month	See Note 1 below
Promotional Marketing Fund (“Promo Fund”)	2% of Monthly Gross Billings	By the 15 <sup>th</sup> day of the following month	See Note 2 below
Technology Fee	The then-current fee (currently, \$499 per month), which may be increased periodically up to the greater of the fee (or aggregate fees) any vendor charges us or an affiliate for your technology services, which may include a fee based on percentage of sales. Additional licenses may be requested for a fee.	Same as Royalty	Additional licenses are at your request. Includes access to our suite of Software. We reserve the right to vary the cost based on the services that you request. See Note 3 below.
Additional Training, Assistance & Refresher Training	Our then-current per diem amount, currently \$750 per day, plus travel and lodging expenses.	As incurred on the date we specify	See Note 4 below
Transfer Fee	The then-current transfer fee. Currently, \$15,000 for the first agreement (reduced to \$5,000 if sold to an existing The Seals Franchisee) plus \$2,500 for each	Upon transfer	Paid at closing of the transfer. The Transfer Fee will not increase by more than 5% in any calendar year. See Note 5.

Name of Fee	Amount	Due Date	Remarks
	additional franchise agreement transferred in the same transaction.		
Resale Assistance Fee	<del>The then-current fee: presently \$10,000 - \$40,000</del> plus any actual commission due	As incurred. Before transfer	Payable by you if we find a buyer for your franchise. See Note 6.
Renewal Fee	You must pay us the then-current fee, which is presently \$5,000, not to exceed 20% of the then-current Initial Franchise Fee.	At the time of renewal	If you elect to renew the franchise, sign the then-current Franchise Agreement and sign a Release. See Note 7.
Supplier and Equipment Testing	Our costs	When billed	In the event you wish us to approve a particular supplier, item of equipment, or supply item, you will reimburse us for our costs of testing or inspecting new suppliers or equipment.
Failure to Maintain Insurance Fee	Our costs, together with interest at the lower of 3% above the prime interest rate charged by our primary bank and the maximum rate permitted by applicable law, from the date the expense is incurred until the date we receive payment.	When billed	If you fail to obtain or maintain any insurance that is required under the Franchise Agreement, we may obtain the required insurance at your sole cost and expense.
Management Fee	<del>Currently</del> 15% of Gross Billings plus actual expenses incurred.	Payable weekly out of Franchise proceeds.	The Management Fee is paid to us in the event we exercise our right to step in and operate your Franchised Business in certain circumstances, including your default, death, disability or prolonged absence. The reimbursable expenses include travel, lodging and meals.
Audit	100% of understated royalty plus interest at the maximum rate allowable by law (not to exceed 18% per year), as well as reimbursement of the cost of the audit.	Upon invoice	Payable if audit shows an understatement exceeding 2% of royalties, Promo Fund contributions or other amounts due to the Company. See Note 8.

Name of Fee	Amount	Due Date	Remarks
Additional Training or extraordinary consultation	\$750 per day, plus travel and lodging expenses.	Upon invoice	Payable if you: (a) request our assistance, (b) an audit shows a significant operational deficiency, (c) you breach the Franchise, or (d) following the death or incapacity of the franchisee, and (e) we deem it necessary to provide additional training. See Note 9
Interest/Late/NSF Fees	<p><u>Interest</u>: 18% per year or the highest amount allowed by applicable law, whichever is less.</p> <p><u>Late Fee</u>: \$100 per incident.</p> <p><u>NSF Fee</u>: <del>currently \$55</del> <u>the actual fee charged by the bank or financial institution, plus an administrative fee of \$5</u> per payment returned by the bank for non-sufficient funds; <del>currently, \$55.</del></p>	Upon invoice	This applies to all overdue fees/payments and reports you owe us or for NSF. Applies to understatements in amounts revealed by audit or otherwise. See Note 10.
Non-compliance Fees	If you are not compliant with the Franchise Agreement, in addition to any other remedies, there is a non-compliance fee of up to \$1,000 per occurrence.	As incurred	See Note 11.
Costs and Attorney's Fees	<del>Will vary under the circumstances.</del> <u>Actual costs</u>	As incurred	See Note 12.
Indemnification	<del>Will vary under circumstances.</del> <u>Actual costs</u>	As incurred	See Note 13.

- (1) Royalty Fee. The continuing Royalty Fee will range between 8% and 10% of Gross Billings. You will pay 10% of your annual Gross Billings up to \$1,499,999, 9% of your annual Gross Billings between \$1,500,000 and \$2,999,999, and 8% of your annual Gross Billings above \$3,000,000. Payment of the Royalty Fee will commence within two months of executing the Franchise Agreement. If you are a multi-unit owner, you will pay a separate Royalty Fee based on the Gross Billings of each separate Franchised Business that you own.

You must pay a minimum monthly Royalty for each Franchised Business that you own. Payment of the Minimum Monthly Royalty commences on the one year anniversary of your execution of the Franchise

Agreement and shall be in the following amounts: Months 12 to 17: \$750 per month; Months 18 to 30: \$1,000 per month; Months 31 and thereafter: \$2,000 per month.

You will be required to execute the forms and complete the reasonable procedures we have established for a bank draft arrangement whereby we will be able to present a draft for the Royalty Fee to the bank or other financial institution used by us. You must have sufficient funds in your account for the bank draft to be honored by your bank or other financial institution and agree to advise us in advance of any change in your bank, financial institution or account. We will submit bank drafts only for the correct Royalty Fee as noted in your Franchise Agreement (See Attachment F to the Franchise Agreement for the form of Bank Draft Authorization to be executed by you). Royalty Fees are uniformly imposed by us throughout the System and the Royalty Fees are not refundable.

The term “Gross Billings” means the gross amount billed by you during any calendar month, whether or not payment is received therefore, on account of Approved Services performed by or on behalf of you, directly or indirectly, and on account of any and all other related goods and services sold or rendered under or in connection with your use of the Marks (including the sale of unauthorized goods and services), and including work performed for or on behalf of persons or business entities which are customers of yours as of the Effective Date. Gross Billings exclude sales taxes collected and paid to the proper authorities.

- (2) Promotional Fund. We reserve the right to establish a Promotional Fund (“Promo Fund”) and to require a monthly contribution to the Promo Fund in an amount equal to 2% of your office’s monthly Gross Billings. Payments will be due by the 15<sup>th</sup> day of the following month.
- (3) Technology Fee. You must subscribe to and use the required operating software for all The Seals businesses. If you elect to purchase additional licenses, additional fees may apply. ~~Currently~~As of the date of this Disclosure Document, the cost for additional licenses ranges from \$8-\$37 per month per user, depending on the services you choose.
- (4) Additional Training, Assistance, and Refresher Training. We will provide initial training for you and up to ~~two people~~one other person for no extra charge. We permit franchise owners to send additional people to the initial training class on a space-available basis and may charge a fee, to be based upon a daily per diem charge as outlined in our Manual, and the costs involved in such training. We also reserve the right to charge per diem charges for other training courses.

The registration fee for the annual conference is ~~currently~~-\$975. Every The Seals franchisee (or the General Manager) for every Territory must attend the Seals Annual Conference at least 6 times during the Initial Term as a condition to renewal of your franchise.

You are also responsible for all out-of-pocket expenses (including travel and lodging costs, if any) involved in such additional training, assistance, or refresher training, including at the Annual Conference.

- (5) Transfer Fee. The Transfer Fee is \$15,000 if transfer is to outside 3<sup>rd</sup> party. The Transfer fee is \$5,000 if the transfer is to a person or entity that already owns or controls a majority interest in an existing The Seals franchise. If multiple Franchise Agreements are transferred as part of the same transaction, the Transfer Fee for each additional Agreement after the first is \$2,500.00. The Transfer Fee is due on or before the effective date of the transfer. There are other conditions for transfer or assignment (See Item 17 in this Disclosure Document).
- (6) Resale Assistance Fee. If we find a buyer for your business, the fee will be ~~the current rate, which is either \$10,000 plus any commission due to any brokers or the actual cost of finding the buyer, whichever amount is higher. Currently, the maximum fee is \$40,000~~other third parties. Alternatively, if you find a buyer on your own, no resale assistance fee will be charged.
- (7) Renewal Fee. If you renew your Franchise Agreement, then we will charge a renewal fee per Franchise Agreement. Each term is for a period of ten (10) years. There are other conditions for renewal (See Item 17 in this Disclosure Document).

foot storage facility, and the high-end is a 1,000 sq foot office and warehouse combo. Rental charges and terms will vary. You should consult a local real estate expert. Provided your proposed location for the Business satisfies our site selection criteria, we will not unreasonably withhold our acceptance of the site.

- (5) Tenant improvements. The cost of the tenant improvements will depend on the size, location, and condition of the premises, and landlord contributions, if any. Your cost will be a function of the condition of the real estate and the extent of the necessary improvements. The low end assumes space requiring minimal changes to conform the space to an office and warehouse. The high end assumes a space requiring a greater degree of modifications.
- (6) Vehicle. The number of vehicles depends on the size and location of your business operations. You are required to own or lease at least one service vehicle that meets our specifications. You may lease, or you also have the option to acquire a 2020 or newer model with under 60,000 miles. The range in the table above includes the first three months of estimated lease payments (based upon a 5-year lease). The amount you will pay will depend on the amount of your down payment (if any). Your expenses may be higher than the estimate, depending on whether you purchase or lease a new vehicle. The vehicles must be painted and wrapped according to our color and design specifications, and the trademarks must be professionally applied before the vehicle is put into service. You will also need to pay for gas, insurance, service, and repair.
- (7) Computer equipment, phones, and Technology Fees. Includes computer hardware, software, and peripheral equipment, the monthly Technology Fee for three months, and telephone hardware and services.
- (8) Miscellaneous. Includes insurance, signage, business license fees, legal and accounting fees, security deposits, utility set-up costs, and incorporation fees.
- (9) Local Marketing. You must engage in grand opening advertising of \$1,000 per month, and expend such funds as we direct. The required Grand Opening Advertising Spend will begin one month prior to opening and end no earlier than twelve months after opening. This estimate is for the one month prior to opening and the three months thereafter. You may spend additional amounts on other pre-opening advertising that are arranged or approved by the Company.
- (10) Additional Funds (Working Capital). The amount of working capital is projected to cover initial operating expenses, payroll costs, royalty, promotional fund fees, security deposits, professional fees, networking association fees, and any other general business expenses for a period of 3 months. The estimate of additional funds does not include an owner's salary or draw. ~~These figures are estimates only.~~

This estimates your initial start-up expenses for the initial phase of three months. This estimate is based on our Franchisees' experiences and our estimate of average costs and market conditions prevailing as of the date of this Disclosure Document. You should review these figures carefully with a business advisor before making any decision to purchase this franchise opportunity.

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

You must operate your Franchised Business in strict compliance with our prescribed methods, standards, and specifications as outlined in the Operating Manual (collectively, the "Operations Manual"). We may modify the Operations Manual at our sole discretion. It remains confidential and our exclusive property; you may not disclose, duplicate, or use it without authorization. The Operations Manual's provisions are incorporated into the Franchise Agreement as if fully stated therein. You are responsible for keeping your copy current. In case of a dispute regarding its content, our master copy at corporate headquarters will prevail.

### *Authorized Products and Services*

To maintain the high standards of quality associated with The Seals System, you must purchase products and inventory only from the Company, an affiliate of the Company, or another supplier designated by the Company. ~~Currently, neither~~ Neither the Company nor any affiliate are the supplier of any products or services to System

franchisees, but we reserve the right to sell proprietary and non-proprietary equipment and supplies, ~~in the future~~ to franchisees.

You may only offer services that we approve, as listed in the Operations Manual. We may require you to purchase items from designated suppliers to ensure service quality, supply continuity, and marketplace efficiency. You will not receive any material benefit from using designated suppliers.

We may modify standards and specifications based on our experience and that of our franchisees. Changes may apply to services, products, signage, furnishings, supplies, fixtures, and equipment, as specified in the Franchise Agreement or Operations Manual. ~~Compliance with these changes may increase your costs, which you must cover, though no modification will materially alter your fundamental rights under the Franchise Agreement.~~

We reserve the right to derive revenue from your required purchases. We are the sole approved vendor for the Software Suite that we license to you. As of our fiscal year, which ended on December 31, 2024, we derived no revenue from required franchisee purchases or leases. In 2025, we expect to derive 5% of our revenues from required purchases or leases, although, as further noted below, we may derive revenue from required purchases or leases in the future. No officer of the Franchisor owns an interest in any other approved supplier.

The required inventory of products, equipment, and supplies necessary to operate the Franchised Business is listed in the Operations Manual. The required purchase of products and equipment from the Company, its affiliates or its designated suppliers, or according to our specifications is 80% to 90% of your overall purchases in establishing your business, and 50% to 60% of your overall purchases in operating your business.

You may purchase equipment and supply items only from Company-approved suppliers or, if there is no approved supplier for a particular equipment or supply item, from suppliers who meet all of the Company's specifications and standards as to quality, composition, and functionality and adequately demonstrate their capacity and facilities to supply your needs in the quantities, at the times, and with the reliability necessary for an efficient operation. The Company provides certain of its specifications and standards to approved suppliers in the course of doing business with them and will share its criteria for approving approved suppliers with a franchisee upon request in the process of reviewing requested alternative suppliers. The Company reserves the right to designate a single supplier for any equipment and supply items and to require you to use such a designated supplier exclusively, which exclusive designated supplier may be the Company or its affiliates.

#### *Supplier Approval Process*

If you wish to purchase any equipment or supplies that have not been approved by the Company or from a supplier who has not been approved by the Company, you must submit a written request to change products or suppliers to the Company. To obtain approval of any proposed alternative equipment, supply item, or supplier, you must provide the Company with documentation from a source independent of Franchisee or the proposed supplier which demonstrates to the Company's satisfaction that the proposed alternate equipment, supply item, or supplier performs as well as the item or supplier to be replaced. The Company has the right to further test any proposed equipment or supply item, and to further evaluate any proposed alternate supplier. There is no fee charged to franchisees or proposed suppliers for the Company to test any proposed equipment or supply item or to evaluate any proposed supplier. The Company will notify you within 90 days of the approval or disapproval of products, equipment, supplies, and suppliers. We will provide you with our criteria for approving suppliers upon your written request.

Regardless of the above, the Company reserves the right to disapprove of proposed and existing suppliers, products, equipment and supplies for any reason, including the number of such suppliers or items that have already been approved. The Company may revoke the approval of suppliers if their product no longer satisfies our quality standards or for any other reason by written notice or update to the Operations Manual. The Company may at any time require the substitution of newly developed proprietary products for non-proprietary items.

#### *Insurance Required Purchases*

You must obtain and maintain insurance during the entire term of the Franchise Agreement. This insurance should protect you, your employees, and us, including our officers, employees, and any other individuals we designate. The insurance should cover any loss, liability, fire, injury, death, property damage, or theft related to the operation or promotion of the business.

on your policy. On occasion, we may request complete copies of all insurance policies to ensure compliance with the insurance provisions of this contract.

Periodically, we may modify the minimum insurance limits and require different or additional kinds of insurance to reflect changes in insurance standards, normal business practices, higher court awards, and other relevant circumstances. You will receive at least 90 days advance written notice of any change.

#### *Technology Required Purchases*

You must equip your facility with a computer system containing certain minimum hardware and software (Item 11). The Company is not a supplier of these items.

It is your responsibility to make sure that you are in compliance with all laws that are applicable to the Computer System or other technology used in the operation of your Business, including but not limited to all data protection or security laws. This includes requiring that you take all steps, including but not limited to those related to visibility and management of your Business that are necessary to ensure that your business is compliant with all data privacy and security laws and Payment Card Industry Data Security Standards (PCI DSS) requirements, as such standards may be revised and modified by the PCI Security Standards Council (see [pcisecuritystandards.org](http://pcisecuritystandards.org)), or such successor organization or standards that we may reasonably specify. Our standards and specifications are described in the Franchise Agreement, the Operations Manual, and other written documents.

We have the right, under the Franchise Agreement, to change the standards and specifications applicable to operation of the franchise, including standards and specifications for Approved Services and Products, equipment, signs, furnishings, supplies, fixtures, inventory, computer systems (hardware, software, applications, data network and internet connection minimum bandwidth capacities), privacy policies, encryption requirements, data and IT security policies - including implementation of phishing and other security awareness programs and training, cyber incident notification requirements, and Artificial Intelligence policies by written notice to you or through changes in the Operations Manual. We may issue our standards or specifications for goods and services, and changes to those standards and specifications, in writing directly to you or our approved supplier. You may incur an increased cost to comply with these changes at your own expense.

#### *Purchasing Arrangements and Revenue*

The Company and/or an affiliate may negotiate purchase arrangements with suppliers (including price terms) for the benefit of franchisees and to promote the overall interests of The Seals franchise network and our interests as the Franchisor. We are not required to negotiate purchase arrangements. ~~Currently, there~~ There are no purchasing or distribution cooperatives as of the date of this Disclosure Document. We do not provide material benefits to a franchisee based on a franchisee's use of designated or approved suppliers; however, a franchisee who does not use such sources will be in breach of the Franchise Agreement.

The Company has the right to receive payments from suppliers on account of their dealings with you and other franchisees, and we may use the amounts received without restriction and for any purpose the Company and its affiliates deem appropriate.

We and our affiliates also reserve the right to derive revenue from any of the purchases or leases System franchisees are required to make in connection with the Franchised Business. As of the fiscal year ended December 31, 2024, neither we nor any affiliate derived any revenue on account of required purchases or leases by franchisees.

### **ITEM 9: FRANCHISEE'S OBLIGATIONS**

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

Obligation	Section in Franchise Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	§ I, IX	Item 11
b. Pre-opening purchases/leases	§ V, IX	Items 5, 7, 8
c. Site development and other pre-opening requirements	§ II, III, IX	Items 7, 8, 11
d. Initial and on-going training	§ V	Item 11
e. Opening	§ IX	Item 11
f. Fees	§ VI	Items 5, 6
g. Compliance with standards and policies/Operating Manual	§ IX	Items 8, 11, 16
h. Trademarks and proprietary information	§ X, XI, XII	Items 13, 14
i. Restrictions on products/services offered	§ IX	Item 16
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	§ VI	Item 12
l. On-going product/service Purchases	§ IX	Item 8
m. Maintenance, appearance and remodeling requirements	§ IX	Item 11
n. Insurance	§ XIII	Items 7, 8
o. Advertising	§ VII	Items 6, 7 and 11
p. Indemnification	§ XXII	Not Applicable
q. Owner's participation/management/ and staffing	§ IX, XVI, Attachment B	Item 15
r. Records and reports	§ VIII	Item 6, 11
s. Inspections and audits	§ X	Item 6
t. Transfer	§ XVII	Items 6, 17
u. Renewal	§ II	Items 6, 17
v. Post-termination obligations	§ XV	Item 17
w. Non-competition covenants	§ XVI	Item 17
x. Dispute resolution	§ XXI	Item 17
y. Other: Guaranty of Franchisee's Obligations	§ VIII, Attachment B	Item 15

### **ITEM 10: FINANCING**

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

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

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

Pre-Opening ~~Assistance~~Obligations

Prior to the opening of the Office, we are obligated under the Franchise Agreement to make available to you, or assist you in obtaining, the following:

- A. Designate your Territory (Franchise Agreement [“FA”], § I).
- B. Provide you with our standards for location and guidance in the selection of an Office Location (FA, § IV).
- C. Provide you with a recommended layout and design of the Office, if not operating from your residence (FA, § IX).
- D. Identify the inventory, equipment, materials and supplies necessary for the Office to begin operations, including the minimum standards and specifications that must be satisfied and the suppliers from whom these items may be purchased or leased (including the Company and our affiliated companies (FA, § XI).
- E. Provide initial training to you and additional employees, at times and locations designated by us (FA, § V).
- F. Provide lists of approved items of equipment, fixtures and inventory and supplies (by brand name and/or by standards and specifications) and lists of approved suppliers for those items (FA, § XI).
- G. Grant use of The Seals Confidential Operations Manual and other manuals and training aids designated by us for use in the System, as they may be revised by us from time-to-time (FA, § VII).
- H. Provide advice and guidance in preparing to open the Office, including standards and procedures for obtaining inventory and supplies, providing approved services, advertising and promoting the business, and operating the business (FA, § XI).
- I. Provide suggested staffing guidelines for hiring employees, operational instructions which you can use as part of training new employees. ~~All hiring decisions and conditions of employment are your sole responsibility~~(FA, § III).

#### Post-Opening Assistance Obligations

After the opening of the Office, we are obligated under the Agreement to make available to you, or assist you in obtaining the following:

- A. Providing access to continuing courses of training, at times and locations designated by us (FA, § V).
- B. Performing inspections of the Office, as we deem advisable (FA, § X).
- C. Providing updated lists of approved items of equipment, inventory and supplies (by brand name and/or by standards and specifications) and updated lists of approved suppliers for those items (FA, § IX).
- D. Offer you guidance on prices for the products and services that, in our judgment, constitute good business practice (FA, § IX).
- E. Offer certain additional training programs that we may require you to attend (FA, § IX).

#### *Approval of The Seals Office*

We do not select your site. We generally do not own the site where your Office is located and lease it to you. You may operate your Office from your residence or at a commercial office such as an Executive Office location, subject to our approval. If you operate your Office from your residence then it will be automatically approved so long as your residence is within your Territory. We will not review or approve of your Location or lease if it is a residential location; however, it must meet our minimum standards and specifications which include being located within a specified site selection area. Some of the factors we will analyze in approving such market area include the general location and neighborhood, population and demographics, distance to other franchises, competition in the market area, traffic counts and patterns, access to the proposed Location, sign ordinances, proximity to major roads and

residential areas, parking facilities, costs of leasehold improvements and closeness to business districts. You are solely responsible for obtaining the applicable ordinances, building codes, and permits required to operate your Office, and ensuring your compliance with all applicable laws and regulations, including the Americans with Disabilities Act. See the Manual for details relating to site selection criteria and procedures. We will not review or approve of your lease.

#### *Time to Open*

The typical length of time between signing the Agreement and the opening of your Office is estimated to be 1 to 2 months. Factors that will affect the length of time it takes you to open your Office include your ability to obtain a lease (if appropriate), financing, permits, compliance with local ordinances and restrictions and completion of required training.

If you are operating from a commercial location, you must obtain our written approval for the commercial location within 60\_ days of signing the Franchise Agreement. You must open the Office, whether home-based or operating from a commercial location, within 180 days after signing the Franchise Agreement. If you do not obtain our written approval for a commercial location and/or open your Office within the time period noted above, we reserve the right to terminate the Agreement and retain the entire Initial Franchise Fee as liquidated damages, not as a penalty (See Item 5 for details).

Factors which may affect the time to open your business include the ability to obtain a lease, financing or building permits, zoning and local ordinances, weather conditions, shortages, scheduling of training, and delayed delivery or installation of equipment, fixtures, and signs.

#### *Advertising and Promotional Requirements*

~~You are responsible for funding all local advertising and promotional activities in compliance with our policies, as outlined in the Operations Manual.~~

You must engage in a Grand Opening Advertising campaign, and spend, as we may direct, a minimum of \$1,000 monthly on local marketing, advertising, public relations, and promotions. The required Grand Opening Advertising Spend will begin one month prior to opening and end no earlier than twelve months after opening. We have the right to determine how to spend the Grand Opening Advertising budget and the methods of marketing, advertising, media, and content of the Grand Opening Advertising campaign and promotional program. While we reserve the right to collect your Grand Opening Advertising Spend and expend it on your behalf, we currently only require it to be spent. You may spend additional amounts on other pre-opening advertising that is arranged or approved by us (Franchise Agreement § VII).

All advertising, sales, or promotional materials require our prior approval, which will not be unreasonably withheld. You must submit materials for review, and if we do not respond within 15 business days, approval is automatically granted (Franchise Agreement § VII). We are not required to expend any amount on advertising in the area or territory where your Franchised Business is located. You may not advertise or promote on any unauthorized website or social media platform, including but not limited to Facebook, X, LinkedIn, TikTok, blogs, or forums. We control all aspects of The Seals website, including its design, content, and updates. While we may create pages featuring your Franchised Business, we are not obligated to do so. If we require you to provide content for such pages, you must do so at your expense using our templates, subject to our approval.

You may not establish or maintain a separate website, splash page, or social media profile related to the System or your Franchised Business without our prior written approval. You must claim, update, and pay for all online business listings as directed by us or our affiliates. We may modify policies regarding internet use as necessary. You acknowledge that we and/or our affiliates are the sole owners of [www.callintheseals.com](http://www.callintheseals.com) and any other domain names we register. You waive any ownership rights to these or any similar domain names, including abbreviations, acronyms, phonetic variations, or visual variations. You are prohibited from registering any domain names that include or resemble our brand names (Franchise Agreement § VII).

You may not issue any press or other media releases or other communications without our prior written consent. As a franchise owner of the System, you may only participate in internal and external communications activities that create goodwill, enhance our public image, and build The Seals brand.

### *Advertising Council*

The Company intends to establish a franchisee advisory council to provide input and suggestions regarding use of the Promotional Fund. The franchisee advisory council will serve in an advisory capacity only and will not have any operational or decision-making power. The Company has the power to form, change, dissolve, and merge the franchise advisory council.

### *Promotional Fund*

You must contribute 2% of your Gross Billings to a promotional fund (the “**Promotional Fund**”). Only The Seals franchisees will contribute to the Promotional Fund (Franchise Agreement § VII).

The Promotional Fund is administered by the Company. The Promotional Fund may be used as determined solely by the Company and without consideration of geographical location of franchisees: to purchase national, regional, and local advertising in any media, including broadcast, print, and electronic media (including a Website for The Seals franchise network); advertising and promotional materials; to acquire the services of in-house and outside advertising and public relations professionals; point-of-purchase materials; review of locally-produced ads; free standing inserts or brochures; research and development, tests or target marketing, the conducting of surveys, Mystery Shoppers, brand development and promotion, to defray the expense of training programs intended to develop the marketing and promotional skills of franchisees and their employees; sponsorships; design and maintenance of a website; celebrity endorsements; trade shows; association dues; search engine optimization costs; establishment of a third party facility for customizing local advertising; to carry on other advertising and promotional activities, including utilizing Networking Media Websites (such as Facebook, Twitter, and LinkedIn) and other emerging media; and to pay the reasonable expenses of administering the Promotional Fund, including the reasonable compensation of the Company’s employees and expenses of the advisory council while working on behalf of the Promotional Fund. The Promotional Fund will not be used for selling additional franchises; however, we may state in any advertisements that franchises are available and contact The Seals for information regarding this opportunity.

In the fiscal year ended December 31, 2024, the Promotional Fund was not operational and there were no contributions or expenditures. Upon request, the Company will account annually, within 120 days of the end of each year, with a financial statement that reports for all Promotional Fund contributions received and spent, together with the balance on account for that year. Other than the foregoing financial statement report, Franchisor does not separately make financial statements of the Promotion Fund available for review. Franchisor is not required to have the Promotional Fund audited. Amounts not spent in a given year are carried over to the next year. The Company is not required to spend any amounts from the Promotional Fund in any franchisee’s territory, and the Company is not required to spend any advertising amounts generally in any franchisee’s territory.

### *Local Advertising Cooperatives*

Currently, we do not have local or regional advertising cooperatives but reserve the right to create them in the future in our sole discretion. We have the right to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative, and to determine whether a Cooperative is applicable to your Franchised Business. Any cooperative will be organized, formed, and operated according to written governing documents which we must approve in advance in writing. Any company owned franchises within the designated cooperative geography designation will participate in the cooperative on the same basis as franchised businesses. We also have the power to form, change, dissolve and/or merge Cooperatives. If a Cooperative is established applicable to your Franchised Business, then you must participate in and contribute to the Cooperative. You will not be required to contribute more than one percent (1%) of your Gross Sales to the cooperative during any calendar year, unless two-thirds of the members of the cooperative vote in favor of a greater contribution. We do not limit what cooperative members may vote to contribute. Such contributions may exceed the local advertising requirement; provided, however, that you will receive credit for Cooperative contributions against the local advertising requirement. As of the date of this Disclosure Document, there are no Local Advertising Cooperatives formed.

### *Software and Computer System*

You must equip your facility with a computer system meeting our specifications within 15 days of signing the Franchise Agreement. None of the hardware used in the computer system is proprietary to the Company. ~~Currently, the~~ **The** minimum requirements for the computer system, which may be purchased from any computer equipment manufacturer, are Windows 11 or higher with Office Suite of products. We ~~currently~~ require the following software: Microsoft Office 365, and QuickBooks Online plus a franchise management software program that the Company may require. Within 14 days of obtaining the system, you must secure high-speed internet access, a branded email address (which we will either provide or you may obtain through our designated supplier) and which email addresses all of your employees must use in The Seals business communications.

We have independent access to all data that is stored on your computer system or within the required Software system(s), including sales information and customer data, with no contractual limitations. You must take all actions we specify to ensure our continual access (Franchise Agreement § IV).

You are required to participate in any System-wide area network, intranet system, or extranet we implement, which may be used for: (i) submitting required reports; (ii) access the Operations Manual; (iii) downloading approved marketing materials; (iv) communicating with us and other franchisees; and (v) participate in online training. Use of these networks must comply with our security standards and protocols, including encryption, content restrictions, and prohibitions against the transmission of libelous, derogatory, or defamatory statements (Franchise Agreement § IV).

You must provide full access to financial and business records according to our reporting formats and schedules, which we may modify from time-to-time. We may retrieve, analyze, download, and use all data stored or used on your Computer System with no contractual limitation on our right to the information. The costs for data storage, communication software, internet access, additional hardware and software needed to implement and maintain these services are at your responsibility (Franchise Agreement § IV and VIII).

You must update your computer system and software as required, with no contractual limits on frequency or cost. We do not provide maintenance, repairs, or upgrades. Estimated annual costs for maintenance and support are \$1,000–\$3,000.

You must subscribe to and use The Seals operating software and all other required software to manage your business, submit financials, for customer relations management, marketing purposes, and for general operations management. You must pay the then-current Technology Fee, which is presently \$499 per month. Estimated costs for computer hardware, software, and peripherals range from \$3,000 to \$5,000. You are responsible for installing and maintaining current antivirus software on all business computers and devices.

You must maintain internet access at the required speeds as specified in the Operations Manual.

~~It is your responsibility to make sure that you are in compliance with all laws that are applicable to the Computer System or other technology used in the operation of your Business, including but not limited to all data protection or security laws. This includes requiring that you take all steps, including but not limited to those related to visibility and management of your Business that are necessary to ensure that your business is compliant with all data privacy and security laws and Payment Card Industry Data Security Standards (PCI DSS) requirements, as such standards may be revised and modified by the PCI Security Standards Council (see [pcisecuritystandards.org](https://www.pcisecuritystandards.org)), or such successor organization or standards that we may reasonably specify. Our standards and specifications are described in the Franchise Agreement, the Operations Manual, and other written documents.~~

~~We have the right, under the Franchise Agreement, to change the standards and specifications applicable to operation of the franchise, including standards and specifications for Approved Services and Products, equipment, signs, furnishings, supplies, fixtures, inventory, computer systems (hardware, software, applications, data network and internet connection minimum bandwidth capacities), privacy policies, encryption requirements, data and IT security policies including implementation of phishing and other security awareness programs and training, cyber incident notification requirements, and Artificial Intelligence policies by written notice to you or through changes in the Operations Manual. We may issue our standards or specifications for goods and services, and changes to those standards and~~

~~specifications, in writing directly to you or our approved supplier. You may incur an increased cost to comply with these changes at your own expense.~~

*Confidential Operations Manual*

The Company will give you access to the Operations Manual for your use during the term of the franchise (Franchise Agreement § IX). The Operations Manual may be in electronic, digital, or another format. We may revise the Operations Manual at any time. ~~Upon request, we will permit you to~~ You may view the Manual at our Headquarters before ~~you purchase~~ buying the Office. To protect the confidentiality of the Manual, we will require you to execute a Confidentiality Agreement prior to your viewing the contents of the Manual.

Training Program

The Company will conduct a comprehensive Initial Training Program in the management and operation of the Franchised Business (Franchise Agreement § XX). The Initial Training Program is part in-person and part online. All parts of the Initial Training Program must be successfully completed after signing the Franchise Agreement, but prior to beginning operations; however, it may be completed at any point within that timeframe. You are responsible for all travel, food, lodging and other expenses incurred by you and any of your employees in connection with attendance at the Initial Training Program. The first several modules in the Initial Training Program are pre-recorded training videos which must be completed prior to attending in-person training.

**The Seals Franchise Training**

**TRAINING PROGRAM**

**Owners**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of Hands-On Training</b>	<b>Location</b>
<b>Installation Training</b> <ul style="list-style-type: none"> <li>• Safety</li> <li>• Product Education</li> <li>• Field Training</li> <li>• Troubleshooting Techniques</li> <li>• Repairs</li> <li>• Equipment and Tools</li> </ul>	1-2	8-12	Online, Charlotte, NC, or other locations in the U.S. chosen by the Franchisor.
<b>Sales</b> <ul style="list-style-type: none"> <li>• Introduction to the market</li> <li>• Fundamentals</li> <li>• Overcoming objections</li> <li>• Communication</li> <li>• Negotiations</li> <li>• Value proposition</li> <li>• Customer Relationship</li> <li>• Sales Tools &amp; Technology</li> </ul>	3-4	16-24	Online, Charlotte, NC, or other locations in the U.S. chosen by the Franchisor.
<b>The Seals System</b>	4-6	4-6	Online, Charlotte, NC, or other locations in the U.S. chosen by

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of Hands-On Training</b>	<b>Location</b>
<ul style="list-style-type: none"> <li>• Franchise Support</li> <li>• Business Operations</li> <li>• Daily Operations</li> <li>• Financial/Accounting</li> <li>• Safety</li> <li>• Business Systems</li> <li>• Logistics</li> <li>• Equipment</li> <li>• Marketing</li> <li>• Sales overview</li> <li>• Software usage</li> </ul>			the Franchisor.
<b>Total</b>	1-2 days	4-5 days	

#### Sales Professionals

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of Hands-On Training</b>	<b>Location</b>
<b>Sales</b> <ul style="list-style-type: none"> <li>• Introduction to the market</li> <li>• Fundamentals</li> <li>• Overcoming objections</li> <li>• Communication</li> <li>• Negotiations</li> <li>• Value proposition</li> <li>• Customer Relationship</li> <li>• Sales Tools &amp; Technology</li> </ul>	3-4	16-24	Online, Charlotte, NC, or other locations in the U.S. chosen by the Franchisor.
<b>Total</b>	3-4 hours	2-3 days	

#### Field Staff

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of Hands-On Training</b>	<b>Location</b>
<b>Installation Training</b> <ul style="list-style-type: none"> <li>• Safety</li> <li>• Product Education</li> <li>• Field Training</li> <li>• Troubleshooting Techniques</li> <li>• Repairs</li> <li>• Equipment and Tools</li> </ul>	1-2	8	Online, Charlotte, NC, or other locations in the U.S. chosen by the Franchisor.
<b>Total</b>	1-2 hours	1 day	

We require that each individual Franchisee attend the initial franchise training program. We provide initial training at no additional charge for you and up to one additional person (See Item 6 regarding fees for additional training.). We may require any other principal(s) or employee(s) of the Office to attend and satisfactorily complete all initial training programs as we may require.

Training will be provided under the direction of Andrew Dinkin who has over 10 years of experience in the industry. Other employees of the Company and other existing franchise owners, who have at least six months experience, may also participate in providing training to new franchise owners and their employees.

We also may offer additional or refresher training courses from time-to-time. Some of these courses may be mandatory, and some may be optional. These courses may be conducted at our Headquarters, in Charlotte, NC, or at any other locations selected by us.

You and/or your employees will be responsible for all out-of-pocket expenses in connection with all training programs, including costs and expenses of transportation, lodging, meals, wages and employee benefits. We reserve the right to impose reasonable charges for training classes and materials in connection with such training courses, which is currently \$750 per day. We will notify you of any additional charges before you or your employees enroll in a course.

All classes are scheduled by advance written notice to all franchise owners. Our class cancellation policies will be included in the written notice of class schedules.

The instruction materials for our training programs may include computer-based training, handouts, the Manual, tests that we may require you to take and other information that we deem important.

A representative of the Company will visit your location within 90 days after your business opens to assist you in the operation of your business.

It is your responsibility to insure that all subsequent managers and employees are trained in our systems and procedures and that our systems and procedures are utilized at your Office. We may audit your Office at any time to ensure compliance with our systems and procedures.

#### *Ongoing Training*

The Company will provide ongoing training on specific, job-related issues to you and/or your employees as the Company deems appropriate. This training may include on-site training at a franchisee's location. Ongoing training subjects will include job costing and scheduling, employee management, equipment usage, and sales and marketing. Additionally, the Company may provide ongoing general training to introduce new products, services, and equipment, to review sales and marketing practices, and to discuss other relevant topics at its annual conference. Other specific training modules may be offered on from time-to-time (some via electronic learning vehicles), which you, your principal owners, or your designee involved in the Franchised Business for each Territory, must attend. Attendance requirements at other ongoing training sessions will be determined by the content of the class. You must pay for all travel, food, lodging, and other expenses (Franchise Agreement § V). ~~Currently, we~~We may charge \$750 for extraordinary training that is required by us or requested by you which we deem appropriate or necessary.

### **ITEM 12: TERRITORY**

When you sign the Franchise Agreement, we grant you a Territory defined by geographic boundaries that will be between 1,000 and 2,500 Retail Food Service Locations ("RFSL") within those boundaries. The number of RFSL is solely for the purpose of determining the territory size and does not represent the potential number of customers in your territory. The actual boundaries of the Territory and the designation of the Territory will be set forth on an exhibit to the Franchise Agreement that will be signed by both you and the Company.

We will not operate or grant a franchise for others to operate a The Seals franchised business within the Territory (except as described with respect to Regional Accounts below in this Item 12), although we or another franchisee may from time to time service particular customers in the Territory in the event you are unable or unwilling for whatever reason to meet the service needs of those customers, all as set forth in the Operations Manual. We do retain

The Company does not have any present plan to establish another business offering similar services under a different trade name or trademark, but it retains the right to do so. In addition, we may purchase, merge, acquire or be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and we may then operate, franchise or license those other businesses and/or facilities under any names or marks other than the Marks regardless of the location of these businesses and/or facilities, which may be within your Territory or immediately near it. You will receive no compensation for these activities.

The Company retains the right to solicit and sell to accounts within the Territory that also have locations outside of the Territory, including, but not limited to, solicitation and sales via direct marketing campaigns, telemarketing, and by use of the Internet and other online computer networks, without compensating you.

If the Company enters into an agreement to provide any Services to any customer which has a location in your designated Territory, the Company may offer you the right to service this account at such location at the terms upon which the Company and this account have agreed. If there is more than one franchisee licensed by the Company in your Territory, the Company may allocate opportunities to service these accounts between those franchisees, as the Company in its sole discretion deems appropriate. If, for any reason, you elect not to service such an account that is offered to you, the Company may, in its sole discretion, service this account or appoint any other party to service this account.

Periodically during the term of the Franchise Agreement, the Company may provide you with the names of potential customers for Services within your Territory obtained by sales representatives employed by us or an affiliate; provided, however, that customer preferences will be honored. The Company has the sole discretion regarding the allocation of leads. The Company may provide you with leads for potential customers for Services in locations that are not part of any franchisee's Territory, but we are not required to do so. ~~If you service customers located outside of your Territory, you do not receive any rights in or to these areas.~~

#### *Additional Franchises*



Upon receiving your written request, we may award you additional franchises at our discretion, provided that you meet the then-current criteria we utilize in the awarding of additional franchises. The criteria to be awarded an additional Franchise are listed in our Manuals and may be updated at any time.

~~\*\*\* THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK \*\*\*~~

### **ITEM 13: TRADEMARKS**

We grant you a limited, non-exclusive license to use our primary mark "The Seals" and certain other Marks in connection with the operation of your Franchised Business within your Territory, provided you use these Marks as outlined in your Franchise Agreement and the Operations Manual. The following are our primary trademarks that we have applied to have registered on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

<b>Trademark</b>	<b>Registration Number</b>	<b>Registration Date</b>
------------------	----------------------------	--------------------------

	5378166	January 16, 2018
	5378083	January 16, 2018 Renewed: September 29, 2023
The Seals (Wordmark)	99/119531	Application Date: April 3, 2025

We are the owners of all the above marks and have filed all applicable applications, required affidavits, and renewals for the Proprietary Marks. There are currently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, no pending interference, opposition, or cancellation proceedings, nor any pending material litigation involving the Proprietary Mark.

You must promptly notify us of any suspected unauthorized use of any of the Proprietary Marks, any challenge to the validity of any of the Proprietary Mark, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, any of the Proprietary Marks. We have the sole right, ~~though not the obligation~~, to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including the right to settle the proceedings or litigation and to affirmatively prosecute actions against third parties for infringement or threatened infringement of any of the Proprietary Marks. However, the Franchise Agreement does not require us to take affirmative action.

We also have the right, ~~though not the obligation~~, to defend you against any third-party claim, suit, or demand arising solely out of your use of the Proprietary Mark you are licensed to use under the Franchise Agreement, provided you are using the Proprietary Mark in a manner expressly authorized by us. However, the Franchise Agreement does not require us to defend you. If we, in our sole discretion, determine that you have used the Proprietary Mark in accordance with the Franchise Agreement and the Operations Manual, we will pay the cost of defending the action, including the cost of any judgment or settlement. If we, in our sole discretion, determine that you have not used the Proprietary Mark in accordance with the Franchise Agreement and the Operations Manual, you will be required to pay for the defense or to reimburse us for costs we incurred in providing the defense, including the cost of any judgment or settlement. In the event of any litigation relating to your use of the Proprietary Mark you are licensed to use under the Franchise Agreement, you are required to sign all documents and assist us, as we deem necessary, to carry out the defense or prosecution, including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Proprietary Mark in a manner not in accordance with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in performing such acts.

We are not aware of any superior prior rights or infringing uses that could materially affect your use of the Proprietary Mark in any state. ~~Therefore, before entering into the Franchise Agreement, you should make every effort to ascertain that there are no existing uses of the Proprietary Mark or confusingly similar marks being used in the market area where you wish to do business. You should immediately notify us of any confusingly similar marks you discover.~~

~~You cannot register any of the Proprietary Marks now or hereafter owned by us or any abbreviation, acronym or variation of the Proprietary Mark, or any other name that could be deemed confusingly similar, as internet domain names. We retain the sole right to advertise the system on the internet and to create, operate, maintain, and modify, or discontinue using of a website using the Proprietary Mark.~~

~~You may use only the Proprietary Mark which we designate and may use them only in the manner we authorize and permit. Any goodwill associated with Proprietary Mark, including any goodwill which might be deemed to have arisen through your activities, inures directly and exclusively to our benefit. You may use the Proprietary Mark designated in your Franchise Agreement only for the operation of the Franchised Business and only at the Franchised Business or in advertising for the Franchised Business. You must use all Proprietary Marks without prefix or suffix and in conjunction with the symbols “SM,” “TM,” “S” or “R,” as applicable. You may not use any of the Proprietary Marks in connection with the offer or sale of any services or products, which we have not authorized for use in connection with the System. You may not use any of the Proprietary Marks as part of your corporate or other legal name. We must approve your corporate name and all fictitious names under which you propose to do business in writing before use. You must use your corporate or limited liability company name either alone or followed by the initials “D/B/A” and the business name “The Seals.” You must promptly register at the office of the county in which your Franchised Business is located, or such other public office as provided for by the laws of the state in which your Franchised Business is located, as doing business under your assumed business name.~~

~~All your advertising must prominently display the designated Proprietary Mark and must comply with our standards for using the Proprietary Mark. You may use the designated Proprietary Mark including, without limitation, trade dress, color combinations, designs, symbols, and slogans, only in the manner and to the extent specifically permitted by the Franchise Agreement or by our prior written consent. You must submit to us and we must approve all advertising, publicity, signs, stationary, business cards, forms, decorations, furnishings, equipment, or other materials employing the Proprietary Mark, or related marks, before first publication or use. We will not unreasonably withhold our approval. You must identify yourself as the owner of the Franchised Business (in the manner we prescribe) in conjunction with any use of the Proprietary Mark including, without limitation, on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations as we may designate in writing in.~~

We reserve the right to substitute different Proprietary Marks for use in identifying the System and the businesses operating thereunder. You must discontinue using all Proprietary Marks which we have notified you, in writing, have been modified or discontinued within ten (10) days of receiving written notice and must promptly begin using such additional, modified or substituted Proprietary Mark at your expense.

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

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

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

During the term of the Franchise Agreement, you will receive information which we consider to be our trade secrets and confidential information, including but not limited to methods of commercial refrigeration gasket installation and repair; information regarding the setup of an Franchised Business; information about proprietary merchandise; any proprietary software we may now or in the future create; our Operations Manual; trade secrets; price marketing mixes related to the sale of goods or services offered or authorized for sale by System franchisees; standards and specifications for equipment, equipment layout, and lighting; systems and training manuals; training systems; compensation systems; marketing strategies; online marketing systems; merchandise sales systems; sales training; location identification and acquisition; general operations; our copyrighted materials; and methods and other techniques and know-how concerning the of operation of the Franchised Business which may be communicated to you or of which you may be apprised by virtue of your operation of a Franchised Business (collectively, the “Confidential Information”). You shall not, during the term of the Franchise Agreement or after, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information except to your employees that must have access to it to operate the Franchised Business.

You shall keep us informed at all times of the identity of any employee acting as a Designated Manager of a Franchised Business. Designated Manager shall devote their full time and best efforts to the day-to-day operation and management of the Franchised Business and shall not engage in any other business activity without our prior written consent. The franchisee, and if applicable, its owners, partners, and any spouses of the foregoing must execute the form of Personal Guaranty attached to the Franchise Agreement as Attachment C.

All shareholders, officers, directors, partners, members and all managers and other employees having access to our proprietary information must execute non-disclosure, non-solicitation, and non-competition agreements in a form we accept.

Any person or entity that is an owner of 5% or more of the franchisee, or any time becomes an owner of a minority interest of the franchisee, must execute the form of personal guaranty attached to the Franchise Agreement, whereby each guarantor personally guarantees the obligations of the franchisee (Franchise Agreement, Attachment C).

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

You may offer and sell only those products and services that are approved by the Company or that meet with the reasonable specifications and standards established by the Company. You must offer and sell all of the Services that we have approved for your franchise. You must purchase all proprietary products and proprietary equipment from the Company or its designated affiliate. You may purchase equipment and supply items only from sources approved by the Company. The Company may, at any time, require the substitution of newly developed proprietary products for non-proprietary items. The Company has the right to add additional authorized products and services that you must then offer. There are no limits on the Company's right to do so. You may not become a wholesaler or distributor of proprietary products or proprietary equipment, and you may not re-sell proprietary products or proprietary equipment, except in connection with the provision of Services by you. You may not become a wholesaler or distributor of non-proprietary equipment and supplies related to the Services to other franchisees or to customers of The Seals System.

You will at all times maintain sufficient levels of inventory to adequately satisfy consumer demand. You must stop offering disapproved products or services immediately upon notice that such services or products have been discontinued. If the law prohibits the use or sale of any product or service, use must cease immediately.

You may not perform commercial kitchen exhaust system cleaning, inspection, maintenance, and restoration services; and must refer any such work to our affiliate or whomever else we may designate. (See Items 1 and 8).

You do not have the right to solicit customers outside of the Territory. The franchise rights we grant you do not include: (i) any right to offer any product or service via e-commerce without our prior approval; (ii) any right to establish an independent website or to establish a URL incorporating the Proprietary Marks or any variation; or (iii) any right to distribute, market, or implement our products and services in any channel of distribution not specifically identified in the Franchise Agreement.

You may provide the Services only to commercial, industrial, and office customers. You may provide Services for any non-residential customer in the Territory who is not disapproved in writing by the Company.

You are an independent contractor with control and direction of the Franchised Business and operations, subject to the conditions specified in the Franchise Agreement and Operations Manual. The Franchised Business you operate is separate and apart from any that we may operate. Neither you nor we may bind each other or make any representations tending to create apparent agency, employment, or partnership.

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

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

### **THE FRANCHISE RELATIONSHIP**

Provision	Section in Franchise or other Agreement	Summary
a. Length of the franchise term	§ II (A)	10 years
b. Renewal or extension of the term	§ II (B, C, D)	You may renew the franchise for two successive ten-year periods on the Company's then current terms if you have not defaulted and meet the requirements for renewal. If you renew the franchise, you must sign the then-current form of franchise agreement, which may have materially different terms and conditions from your original contract, including a higher royalty fee and promotional fee.
c. Requirements for franchisee to renew or extend	§ II (C)	Sign new franchise agreement, which may contain materially different terms and conditions than your initial franchise agreement, comply with current Franchise Agreement, exercise diligent efforts to develop your franchise during the term in a manner acceptable to us, meet our then current subjective and objective standards for new franchisees, provide us with requested documentation, give notice of desire to renew no earlier than 180 days and no later than 120 days prior to the end of the term, execute a general release, complete required training and consulting programs, and attend all required meetings and events.
d. Termination by franchisee	Not Applicable	Not Applicable (subject to applicable law)
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	§ XIV	The Company can terminate your franchise if you default.
g. "Cause" defined – curable defaults	§ XIV	You have 5 to 30 days to cure: a non- payment of fees or other amounts due, non-compliance with applicable laws or regulations, failure to perform any obligation under the Franchise Agreement or another agreement between us.
h. "Cause" defined – non-curable defaults	§ XIV	Defaults which cannot be cured: bankruptcy foreclosure, inability to pay debts, abandonment, material misrepresentations, charge or arrest for certain criminal conduct, repeated defaults even if cured, incurable breach, failure to maintain minimum performance, unauthorized transfer, breach of covenant not to compete, use of Marks in a business other than the Franchised Business.

Provision	Section in Franchise or other Agreement	Summary
		applicable state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. <u>Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.</u>
u. Disputes resolution by arbitration or mediation	§ XXI	You must first submit all disputes and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally. At our option, all claims or disputes must be submitted to non-binding mediation in the state and city of our then-current National Headquarters (presently Orlando, Florida). If not resolved, most disputes must be resolved by binding arbitration in Florida. The fees and expenses of arbitration, not including attorneys' fees, generally will be shared equally by the parties. Subject to State law.
v. Choice of forum	§ XXI (B)	Litigation must be in the applicable federal or state court where our headquarters are located (currently, Orlando, Florida) (subject to state law).
w. Choice of law	§ XXI (G)	Except for claims under federal trademark law, and the parties' rights under the Federal Arbitration Act, the laws of the state of our then current National Headquarters (presently Florida) will govern (subject to state law).

**ITEM 18: PUBLIC FIGURES**

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

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Neither the Franchisor, nor any person or franchise broker in Item 2 of the Franchise 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 associate or exchange.

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.

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**HAWAII ADDENDUM TO DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND ALL RELATED AGREEMENTS REQUIRED BY 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.

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

Agreed to by:

FRANCHISEE:

\_\_\_\_\_

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

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

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

Date: \_\_\_\_\_

FRANCHISOR:

THE SEALS FRANCHISING, LLC

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

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

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

Date: \_\_\_\_\_

**ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND ALL RELATED AGREEMENTS REQUIRED BY THE STATE OF ILLINOIS**

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, The Seals Services Franchise Disclosure Document for use in the State of Illinois shall be amended as follows:

~~1. Item 17(b), under the heading “Renewal or extension of the term,” shall be amended by the addition of the following language at the end thereof:~~

~~Your rights upon non-renewal may be affected by Illinois law, 815 ILCS 705/20.~~

~~2. Item 17(f), under the heading “Termination by the Company with cause,” shall be amended by the addition of the following language at the end thereof:~~

~~The conditions under which your franchise can be terminated may be affected by Illinois law, 815 ILCS 705/19.~~

~~3. Item 17(v), under the heading “Choice of forum,” shall be amended by the addition of the following language at the end thereof:~~

~~You may commence an action against us in Illinois with respect to any cause of action arising under Illinois law.~~

~~4. Item 17(w), under the heading “Choice of law,” shall be amended by the addition of the following language at the end thereof:~~

~~Illinois law, however, will apply to all claims arising under Illinois law.~~

~~Each provision of this Addendum to governs the Franchise Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements Agreement.~~

~~In conformance with Section 4 of the Illinois Franchise Disclosure Act of 1987, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.~~

~~Your rights upon Termination and Non-Renewal of an agreement are met independently without reference to this Addendum to the set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.~~

~~In conformance with section 41 of the Illinois Franchise Disclosure Document Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois~~

~~Franchise Disclosure Act or any other law of Illinois is void.~~

~~5. If you operate your Office from your residence then it will be automatically approved so long as your residence is within your Territory and meets the Franchisor’s minimum standards and specifications.~~

~~6. The disclosure document, franchise agreement and any document signed in connection with the franchise are supplemented with the following language:~~

~~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 by any franchisor, franchise seller, or other person acting on behalf of franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

FRANCHISEE:

FRANCHISOR:

The Seals Franchising, LLC

## MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Minnesota only, this Disclosure Document is amended as follows:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."
- NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.
- 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.

**THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

## MINNESOTA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated \_\_\_\_\_ (the “Agreement”), between The Seals Franchising, LLC, a North Carolina Limited Liability Company (“Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Minnesota Act” means Minnesota Statutes, Sections 80C.01 to 80C.22.

**2. Amendments.** The Agreement is amended to comply with the following:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state “No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues.”
- NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

**3. Special Representation.** 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

## EXHIBIT J: STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or otherwise be exempt from registration: California, Florida, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington, and Wisconsin. This disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

CALIFORNIA	Pending
HAWAII	<del>Pending</del> <del>Not Registered</del>
ILLINOIS	Pending
INDIANA	<del>April 30, 2025</del> <del>Pending</del>
MARYLAND	Pending
MICHIGAN	Pending
MINNESOTA	Pending
NEW YORK	Pending
NORTH DAKOTA	Pending
RHODE ISLAND	Pending
SOUTH DAKOTA	Pending
VIRGINIA	Pending
WASHINGTON	Pending
WISCONSIN	<del>Pending</del> <del>April 30, 2025</del>

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.