

FRANCHISE DISCLOSURE DOCUMENT

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



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

The total investment necessary to begin operation of a Window World franchise ranges from ~~\$123,368~~ \$123,200 – ~~\$331,168~~ \$331,000, which includes \$45,000 that must be paid to WINDOW WORLD, INC. or its affiliates. In some instances where a franchisee is granted a Territory of at least one million owner-occupied homes, we may require that franchisee to operate one or more Satellites within the Territory. In those cases, we estimate that franchisees will spend an additional \$14,950 to \$138,500 per Satellite they are required to open after the Headquarters, which includes \$0 that must be paid to WINDOW WORLD, INC. or its affiliates. Both the Headquarters and any Satellites are operated under the same Franchise Agreement. We do not offer a separate multi-unit franchise offering.

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

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

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

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

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

Issuance Date: March 28, 2024, as amended January 13, 2025

Special Risks to Consider About *This* Franchise

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

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

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

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I.	Non-Operating Owner Amendment	

- J. Agreement and Conditional Consent to Transfer
- K. Full and Final General Release
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ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

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

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

Our agent for service of process in North Carolina is ~~CORPORATION SERVICE COMPANY~~PARACORP INCORPORATED. This agent’s principal business address is ~~2626 Glenwood Avenue, Suite 550~~176 Mine Lake Ct #100, Raleigh, North Carolina 27608~~NC 27615~~. Our agent for service of process in certain other states is listed alphabetically by state in Exhibit E to this disclosure document. We conduct business under the name “WINDOW WORLD, INC.” and “Window World.” Our franchisees conduct business using the name “Window World” or “World of Windows.” We began offering franchises of the type offered here in 2011. Previously, from 1998 to 2010, we offered licenses that were similar to our current franchise program, and we treat those licensees as franchisees for all purposes.

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

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

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

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

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

~~From~~Beginning with its organization in 2019, from time to time, WW MANAGEMENT SERVICES LLC (“WW Management”) provides management services to franchisees that enter

into management agreements with it. Occasionally, WW Management has also temporarily operated businesses that were formerly owned by Window World franchisees.

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

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

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

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

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

~~Each owner in the Franchised Business~~ In many circumstances one or more of your owners (“Owners”) will be designated an “Operating Owner,” and have responsibility for day-to-day day-to-day operations; or. In other circumstances, one or more of your Owners may be designated a “Non-Operating Owner,” and not be involved in day-to-day day-to-day operations. With our prior approval, instead of having an Operating Owner you may appoint an “Operations

Manager” who has no ownership in the Franchised Business but who is responsible for ~~day-to-day~~ day-to-day operations.

We offer qualified prospects the opportunity to become Window World franchisees and operate Franchised Business by signing a Franchise Agreement (see Exhibit A) with us. All ~~owners~~ Owners of 5% or more in the Franchised Business and their spouses must also execute a Limited Personal Guaranty (see Attachment 3 to Exhibit A).

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

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

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

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

ITEM 2: BUSINESS EXPERIENCE

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

~~In~~Since March 2010, TAMMY WHITWORTH ~~became the~~has served as our Chief Executive Officer ~~and in~~. Since 2011, she has served as our Chairman of the Board of Directors ~~of WWI~~. ~~Additionally, since its inception in~~. Since 2008 ~~to the present~~, Tammy ~~has served as~~been President of Window World Cares, Inc., a non-profit corporation associated with Window World, Inc. Since 2008, she has been an owner of TMS, LLC and since December 2024 she has been its sole operator. Since June 2010, she has been the owner of WINDOW WORLD INTERNATIONAL, LLC.

Director: JAMIE MCBRIDE

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

Director: DAVE REED

Since 2011, DAVE REED ~~was appointed to the~~has served on our Board of Directors ~~in 2011. He~~. Since 1999, he has had an ownership interest in Window World of Tidewater, Virginia since 1999, located in Virginia Beach, Virginia. Dave is also a part ownerSince 2011, he has had an ownership interest in Window World of the Capital District, located in Albany, New York, and since 2007 he has had an ownership interest in Window World of Colorado Springs, located in Colorado Springs, Colorado.

Director: JAY VANNOY

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

Chief Legal Officer, Director: BETH H. VANNOY

Since October 2011, BETH VANNOY has served as our Chief Legal Officer since. Since October 2015 and was elected to, she has served on our Board of Directors in October 2015. Since March, 2019, she has also been the an owner and operator of the Fruit of the Vine boutique headquartered, located in North Wilkesboro, North Carolina. Since May 2024, she has been an owner and operator of The Charm Bar Company, located in North Wilkesboro, North Carolina.

President and Chief Operating Officer: STEVE KAMODY

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

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

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

Vice President of Finance: TOMMY B. PAYNE JR.

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

Vice President of Franchise Relations & Engagement: MARK BUMGARNER

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

Vice President of Marketing: SCOTT CURKIN

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

Vice President of National Products: STEVE NEWTON

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

Vice President of Business Development: CHAD KLEIS

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

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

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

Vice President of Sales: MICHAEL LANE, II

Since January 2025, MICHAEL LANE, II ~~is~~ has served as our Vice President of Sales ~~and has been since January 2025.~~ From January 2024 to December 2024, he ~~served~~ as was our Director of Sales. From August 2021 to December 2023, he ~~served~~ as was our Director of Strategic Projects.

From October 2017 to August 2021, he ~~served as~~ was a Regional Manager. Since March 2024, he has been the owner of Michael Lane II Consulting, LLC, ~~based~~ located in Tampa, Florida.

Director of Franchising: ZACH LUFFMAN

Since January 2018, ZACH LUFFMAN has been served as our Director of Franchising ~~since January 2018.~~

Director of Franchise Advancement: DAVID MASTIN

Since September 2015, DAVID MASTIN is has served as our Director of Franchise Advancement ~~and has been since September 2015.~~

National Sales Trainer & Empowerment Strategist: BOB HINER

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

Corporate Secretary: BONNIE BENTLEY CAUDILL

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

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

ITEM 3: LITIGATION

Pending Matters

Window World of St. Louis, Inc.; Window World of Kansas City, Inc.; Window World of Springfield/Peoria, Inc.; James T. Lomax III; and Jonathan Gillette, et al. v. Window World, Inc., Window World International, LLC, and Tammy Whitworth, (15-CVS-2), North Carolina Business Court (2015). On January 2, 2015, some of our franchisees filed a lawsuit against us and Window World International, LLC in Wilkes County (NC) Superior Court alleging that we repudiated a purported settlement agreement and seeking to have a declaratory judgment entered regarding the existence of the purported settlement agreement, issuance of an injunction to force us to sign the settlement agreement and requiring us to enter into a new franchise agreement with plaintiffs (“Settlement Claims”). In the alternative, the plaintiffs seek damages from us for: our alleged failure to provide them with a copy of a Franchise Disclosure Document, alleged fraudulent conveyance of our intellectual property (including our Marks) to Window World International, LLC, alleged breach of contract, alleged antitrust violations, alleged breach of the covenant of good faith and fair dealing, alleged fraud, alleged negligent misrepresentation, alleged violations of the North Carolina Unfair and Deceptive Trade Practices Act, and alleged unjust enrichment. This lawsuit has been designated as a Mandatory Complex Business Case and has been assigned to the North Carolina Business Court. After the Court ordered the

plaintiffs to join another franchisee, James Roland, in the Settlement Claims, and plaintiffs failed to so do, the Court dismissed without prejudice the plaintiffs' Settlement Claims in the action. In 2016, the Court dismissed with prejudice plaintiffs' antitrust-related claims. On January 11, 2017, the plaintiffs filed a Third Amended Complaint wherein they added Tammy Whitworth as a defendant. On November 26, 2024, the Court entered summary judgment dismissing certain of plaintiffs' claims against Window World, Inc. and Window World International, LLC and ordering certain of plaintiffs' claims to proceed to trial. In that same order, the Court denied plaintiffs' request for summary judgment on many of their claims against Window World, Inc. and Window World International, LLC and ordered each of those claims to proceed to trial. We dispute the allegations in plaintiffs' Third Amended Complaint and continue to vigorously defend ourselves in the litigation.

Window World of Baton Rouge, LLC; Window World of Dallas, LLC; Window World of Tri State Area, LLC; and James A. Roland v. Window World, Inc., Window World International, LLC, and Tammy Whitworth, (15-CVS-1), North Carolina Business Court (2015). On January 2, 2015, Window World of Baton Rouge, LLC, Window World of Dallas, LLC, Window World of Tri State Area, LLC, and James A. Roland (our franchisees), filed a lawsuit against us and Window World International, LLC in Wilkes County (NC) Superior Court for an alleged failure to provide plaintiffs with a copy of a Franchise Disclosure Document, alleged breach of contract, alleged antitrust violations, alleged breach of the covenant of good faith and fair dealing, alleged fraud in the inducement, alleged fraud, alleged negligent misrepresentation, alleged violations of the North Carolina Unfair and Deceptive Trade Practices Act, alleged fraudulent conveyance of trademarks to Window World International, LLC, and alleged unjust enrichment. The Complaint states that it seeks relief in the alternative to the relief the same plaintiffs sought in another previously filed lawsuit in Louisiana. This lawsuit has been designated as a Mandatory Complex Business Case and has been assigned to the North Carolina Business Court. In 2016, the Court dismissed with prejudice plaintiffs' antitrust-related claims. On January 11, 2017, the plaintiffs filed a Third Amended Complaint wherein they added Tammy Whitworth as a defendant. On November 26, 2024, the Court entered summary judgment dismissing certain of plaintiffs' claims against Window World, Inc. and Window World International, LLC and ordering certain of plaintiffs' claims to proceed to trial. In that same order, the Court denied plaintiffs' request for summary judgment on many of their claims against Window World, Inc. and Window World International, LLC and ordered each of those claims to proceed to trial. We dispute the allegations in plaintiffs' Third Amended Complaint and continue to vigorously defend ourselves in the litigation.

Window World of North Atlanta, Inc.; Michael Edwards and Melissa Edwards v. Window World, Inc., Window World International, LLC, and Andrew Saville (18 CVS 70), North Carolina Business Court (2018). On January 22, 2018, the plaintiffs, who are existing Window World franchisees, filed a complaint against us in Wilkes County (NC) Superior Court alleging breach of contract, unjust enrichment, and violation of the North Carolina Unfair and Deceptive Trade Practices Act regarding Window World's approval of Mr. Saville as a franchisee for a franchised territory plaintiffs contend they own. Additionally, plaintiffs have sought a declaratory judgment asking the court to declare their ownership of the disputed territory. This lawsuit has been designated as a Mandatory Complex Business Case and has been assigned to the North Carolina Business Court. We filed our answer on March 26, 2018. We contend this lawsuit is without

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

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

Oscar Castro v. Window World, Inc., et al. (BC575391, California Superior Court Los Angeles County—Central District). On March 11, 2015, OSCAR CASTRO filed a lawsuit against us alleging employment law violations by our former affiliate, WINDOW WORLD OF CALIFORNIA, LLC, and us claiming we were his joint employer. He also asserted these claims constituted unfair competition under California law. On April 17, 2015, we filed an answer to the complaint generally denying the allegations as lacking merit and alleged applicable affirmative defenses in this case. On October 12, 2016, we and our former affiliate, WINDOW WORLD OF CALIFORNIA, LLC, entered into a confidential settlement agreement in which the plaintiff agreed to dismiss his claims with prejudice in exchange for WINDOW WORLD OF CALIFORNIA, LLC agreeing to pay the plaintiff \$33,376.11 and his attorneys' fees of \$30,623.89. Neither we, nor our former affiliate, admitted any liability in the settlement.

Mike Bendfeldt, et al. v. Window World, Inc. and Associated Materials, LLC, Case No.: 8:15-CV-00377 (United States District Court for the District of Nebraska); Mike Bendfeldt, et al. v. Window World, Inc. and Associated Materials, LLC, Case No.: 5:17-CV-00039 (United States District Court for the Western District of North Carolina). In October 2015, Mike and Betty

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

ITEM 4: BANKRUPTCY

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

ITEM 5: INITIAL FEES

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

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

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

ITEM 6: OTHER FEES

OTHER FEES

TYPE OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Royalties ^{2, 3}	Currently ranges between \$.10 and \$75 per option or unit or up to 12% of the cost of the product that franchisee buys from the vendor	When invoiced by vendor	<p>Currently collected from vendor as part of the product cost. The Royalty is not based upon franchisee gross sales. We have the right to change or increase the amount of royalties or, in the case of new items, establish royalties.</p> <p><u>We can change the collection method of the Royalties upon 90 days' notice to you. The alternative collection method is electronic funds transfer from your business bank operating account.</u></p>
Local or Regional Cooperative Fees	Currently not collected; No cooperative currently established	When designated by cooperative	<p>In the event a local or regional cooperative is established for your area, you must participate and you must pay the cooperative payments the cooperative imposes. Cooperative payments are determined by majority vote of the cooperative members, but in no event will you be required to contribute more than 3% of your gross sales to the cooperative. Any amount you contribute to an advertising cooperative will count toward the 7% of gross sales you are required to spend on local advertising. All company-owned, affiliate-owned, and franchisee-owned businesses will have one vote each in any such cooperative of which they are a member. <u>We have a right to approve and alter the contribution rates set by the members of the cooperative, subject to the maximums.</u></p>

TYPE OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Approval of Alternate Vendor, Product, or Service	Cost Our costs to <u>evaluate the proposed alternative</u>	On demand	When you request our prior written consent to use an alternate vendor, product, or service, you will pay all costs incurred by us to obtain the necessary information and evaluate the alternate vendor, product, or service.
Technology Fee ³⁴ =	<p>Currently, the base fee is \$499 per month. There is a \$600 start-up fee as well if you are not a new franchisee.</p> <p>If you elect the optional web design, develop and management services, you will pay an additional amount, which is currently \$176 per month.</p> <p>Currently, we offer Premium Services for an additional \$299 per month. <u>There are overage charges in the amount of \$0.01/message for messages above 7,500 messages per month.</u></p> <p>Each year the Technology Fee may increase by the amount that is the greater of (i) 2% or (ii) another amount that we designate.</p> <p>If paying by electronic funds transfer and funds are refused, a \$25 charge plus reimbursement of our costs will be assessed</p>	Monthly or annually before January 1 st if you choose to prepay	<p>You are required to use our designated technology products and services, some of which may be provided by us or our affiliate. This fee will be paid to our affiliate WW Technologies.</p> <p>If this is a new Franchised Business, this fee will not commence until the 13th <u>7th</u> month of operations. For the time period from the 13th <u>7^h</u> month of operation through the <u>immediately</u> following December 31st we will prorate the amount due.</p> <p>If you choose to prepay by January 1st each year, you can use your method of payment of your choice. Alternatively, if you elect to pay monthly, you are required to either (1) provide our affiliate with a credit card authorization to keep on file permitting WW Technologies to charge the fee on your credit card or (2) provide account information so that WW Technologies can electronically transfer the funds.</p> <p>The current Premium Services add functionality to the CRM.</p>

TYPE OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Renewal Fee	None	Not applicable	No fee due upon renewal of franchise agreement.
Failure to Maintain Insurance	Our actual cost for insurance premiums and a reasonable fee not to exceed 5% of the insurance premium cost we incur	On demand	If you fail to maintain the required insurance coverage, we may acquire and pay for the insurance coverage.
Audit	Cost of audit plus expenses, plus any amount owed as shown by the audit, plus the interest (lower of 18% or the maximum rate allowed by law) and late fees (2% of fees due to us)	When you are billed	In addition to other remedies we have due to your default, you will pay this if we find that you are purchasing unapproved products or supplies, purchasing products or supplies from an unapproved vendor, failing to provide requested information, or otherwise not complying with the terms of the Franchise Agreement.

TYPE OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Fines	<p>Up to \$5,000 per infraction for most violations, <u>plus our costs and expenses arising out of the violation</u></p> <p>Up to 1550% of the customer contract value plus an amount up to \$10,000 per determination of infringement for selling in the territory of another Window World business. <u>The current fee is 30%.</u></p> <p>Up to \$10,0002,500 per determination of infringement for offering or soliciting in the territory of another Window World business. <u>The current fee is \$750.</u></p> <p><u>For infringement fines, you must pay the other Window World business directly. If we must collect the fine because you do not timely pay, we will charge an additional 5%.</u></p>	Upon <u>Within 30 days of receiving notice of</u> infraction	<p>Fines are in addition to any other remedies we may have under the Franchise Agreement, including default or termination. The amount of the fine will also be determined in accordance with our policies in the Manuals.</p> <p><u>Infringement fines are payable directly to the affected Window World business; however, we have the right to collect them from you by charging your credit card or by EFT if you do not pay them, plus a charge of 5%.</u></p>
Interest	Lower of 18% <u>per annum</u> or the maximum interest rate allowed by law	Upon notice	Interest is due if you fail to pay the full amount when it is due to us or if you have insufficient funds to cover an electronic transfer we initiate.

TYPE OF FEE ¹	AMOUNT	DUE DATE	REMARKS
<u>Audit</u>	<u>Cost of audit plus expenses, plus any amount owed as shown by the audit, plus the interest (lower of 18% per annum or the maximum rate allowed by law) and late fees (2% of fees due to us)</u>	<u>When you are billed</u>	<u>In addition to other remedies we have due to your default, you will pay this if we find that you are purchasing unapproved products or supplies, purchasing products or supplies from an unapproved vendor, failing to provide requested information, or otherwise not complying with the terms of the Franchise Agreement.</u>
<u>Domain Name Fee</u>	<u>Our costs to own and renew domain names for your Franchised Business that exceed \$50 per year.</u>	<u>Annually</u>	<u>We will own all domain names for the Franchised Business. If we spend more than \$50 per year to renew one or more domain names for your Franchised Business, you will reimburse us for any of our costs that exceed \$50.</u>
<u>Failure to Maintain Insurance</u>	<u>Our actual cost of insurance premiums and a reasonable fee not to exceed 5% of the insurance premium cost we incur</u>	<u>On demand</u>	<u>If you fail to maintain the required insurance coverage, we may acquire and pay for the insurance coverage.</u>
Late Fees	2% of fees due to us	Within 30 days of notice	This fee can be imposed for late payments due to us or our affiliates.
Re-Inspection Costs or Rescheduled Inspection Costs	Our costs	Upon notice	You must promptly reimburse us for our costs in conducting one or more follow up inspections if you fail an inspection or if after the inspection date has been established you must reschedule.
Legal Expenses	Our costs	Upon notice	If we incur legal expenses while assisting you then following notice we may bill you for the expense we incur. This applies to matters outside of dispute resolution
Indemnification and Hold Harmless	Varies; any and all types of damages, liabilities, losses, costs, and expenses we incur as a result of third parties claims or from your ownership and operations of the Franchised Business.	Upon notice	You and your owners must indemnify us and related parties for a broad range of claims related to your actions, omissions, ownership, and operations of the Franchised Business, <u>including obligations under your Franchise Agreement and the Master Services Agreement.</u>

TYPE OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Attorney's Fees and Costs	Varies; our costs	Upon notice	The unsuccessful party in litigation shall pay the successful party all costs, expenses, and reasonable attorneys fees incurred in the litigation.
Enforcement Costs	Varies; our costs	Upon notice	If you violate a term of the Franchise Agreement, you must reimburse us for our costs incurred in pursuing enforcement of the Franchise Agreement.
Damages	Varies; amounts we incur	Upon notice	We have the right to require you to reimburse us any damages, costs, losses, or expenses we incur as a result of your default or if we terminate the Franchise Agreement early with cause.
Uncompleted OrdersJobs	Varies <u>based upon the number of orders for which you have received funds but installation has not been completed</u>	Within 15 days of termination, expiration, or non-renewal of the Franchise Agreement	Upon expiration, termination, or non-renewal, you must provide us with an account of all pending window, siding and door orders for which funds have been received but installation has not been completed. You must tender all money received for such uncompleted orders jobs to us.
System Modifications	All costs and expenses associated with system modification	As required	If we make changes to the system of operations, you must adapt your business to conform to the changes. These may be paid to us, our affiliates, or a third-party vendor we designate.
Tax Reimbursement	Taxes we pay as a result of providing products and services to you or any tax payments we make on your behalf	Upon notice	Does not apply to taxes we incur on our net income.
Customer Complaint Resolution	Our costs	Upon notice	We reserve the right to may charge you this fee for our costs to respond or resolve a complaint by your customers when you do not resolve the complaint consistent with our procedures.

TYPE OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Data Inspections and Reimbursement	<u>Varies, our costs and expenses to inspect or incurred as a result of your non-compliance or a breach</u>	Upon demand	If you repeatedly violate the required data privacy and security obligations under the Franchise Agreement, we reserve the right to <u>may</u> charge you our costs and expenses to inspect your business. Additionally, you are responsible for our costs and expenses that arise from your non-compliance or a security breach caused by you or your personnel.
Additional Training	Currently not imposed	As incurred prior to beginning of additional training	If you request or if we require additional training, we have the right to charge you an additional training fee. You are also responsible for the travel, living expenses, and wages for the trainees. We can change this fee from time to time.
Business Directory Listings	Actual out-of-pocket costs	Upon demand	You will place and pay the cost of business listings in the directories and categories we specify. Alternatively, we can do so on your behalf and at your expense.
<u>Continued Operation After Expiration</u>	<u>\$250 per week, Up to the then-current initial franchise fee</u>	<u>As incurred</u>	<u>If we permit you continue to operate the Franchised Business on a month-to-month basis after expiration of the Franchise Agreement, then you must pay to us, in addition to all other fees due to us, a weekly fee during the month-to-month operations.</u>
<u>Liquidated Damages for Breach of Confidentiality Agreement</u>	<u>\$100,000</u>	<u>Upon demand</u>	<u>We require prospective franchisees to sign a Prospective Franchisee Confidentiality / Non-Disclosure Agreement with us. See Exhibit F. This fee is only due if you breach your obligations under that agreement.</u>

Note 1: Unless otherwise indicated in the table, all of the fees are payable to, imposed by, and collected by us. None of the fees or payments in this Item 6 are refundable. ~~At our option, we have the right to increase any flat fee to account for inflation, as measured by the Consumer Price Index.~~ Except for our beta ~~tester~~ tester of WW360 Premium Services for whom we waived the Window World 360 fee and the Premium Services fee during our last fiscal year, all fees were uniformly applied by us.

Note 2: The Royalty associated with the products of one or more vendors, may be a percentage of the price you pay to the vendor for products. The percentage of price paid by you for the products of a vendor as a Royalty shall be the same percentage of price paid by other WINDOW WORLD franchisees for the same products from the same vendor. Vendors may establish the prices for their products and such prices may vary based upon numerous factors in the vendors' discretion. Thus, the price you pay for one or more products, and consequently the dollar amount collected by Franchisor as a Royalty on those products, may be different than the price charged to other WINDOW WORLD franchisees.

Note ~~23~~: We may, during the term of your Franchise Agreement, allow you to offer roofing products and services if you meet our then-current qualifications and guidelines. We will not charge you an additional initial franchise fee to participate in this program, but you will pay us royalties for the roofing products you purchase as described in this Item. Currently, we allow you and all other franchisees to participate in the roofing program only if all of the following conditions are met:

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

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

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

Note ~~34~~: The initial franchise fee covers the first ~~twelve~~six months of the basic Technology Fees plus premium services if you start a new Franchised Business. Currently, the Technology Fee will cover the use of a proprietary customer relations management software platform, WW360 provided by our affiliate WW Technologies, two email accounts, access to the Window World

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

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ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Table 1 – Headquarters ¹

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

TYPE OF EXPENDITURE	LOW AMOUNT	HIGH AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
months ¹⁰					
Utility Deposit ¹¹	\$100	\$500	As negotiated with vendor	As negotiated with vendor	Vendor
Utilities – 3 months	\$3,000	\$5,000	As negotiated with vendor	As negotiated with vendor	Vendor
Lease Deposit ¹²	\$0	\$12,500	As negotiated with vendor	As negotiated with vendor	Vendor
Formation of Business Entity; Obtaining a Business License	\$1,000	\$2,000	Varies	Varies	Varies <u>Government agencies, vendors, professional service providers</u>
Acquisition of any Required State & Local Professional Licenses ¹³	\$0	\$4,000	Varies	Varies	Varies <u>Government agencies</u>
Monthly Vehicle Payments – 3 months ¹⁴	\$0	\$3,000	As negotiated with vendor	When purchased	Varies <u>Vendor</u>
Vehicle Graphics ¹⁵	\$0	\$2,000	Varies by vendor	When purchased	Varies <u>Vendor</u>
Initial Advertising ¹⁶	\$30,000	\$30,000	Varies by vendor	Varies by supplier	Vendor
Compensation for Employees and Contractors ¹⁷	\$0	\$50,000	At your discretion	At your discretion	Employees or contractors
Insurance ¹⁸	\$3,000	\$9,000	As negotiated with vendor	As negotiated with supplier	Vendor
Legal and Professional Services ¹⁹	\$0	\$5,000	Varies by vendor	Varies by supplier	Vendor
Exterior Signage ²⁰	\$0	\$2,500	As negotiated with vendor	When purchased	Varies
Call Routing Fees – 3 months ²¹	\$168	\$168	As negotiated with vendor	Monthly	Approved vendor
Additional funds – 3 months ²²	\$30,000	\$60,000	Varies by vendor	As incurred	Vendors, landlord, employees, contractors, utilities
TOTAL COST	\$123,368 <u>123,100</u>	\$331,168 <u>331,000</u>			

NOTES:

1. Table 1: All fees and payments are non-refundable unless otherwise noted or allowed by third-party vendor. This Table 1 assumes you will be opening and operating only the Headquarters and no Satellites. However, if you are required to open one or more Satellites because your Territory has more than one million owner-occupied homes, you may incur additional costs. We estimate those costs in the following Table 2 for each Satellite. Neither we nor our affiliate finances any part of the initial investment.
2. Initial Franchise Fee: The initial franchise fee paid to us is non-refundable. The initial franchise fee covers the initial grant of a license to operate the Franchised Business and other costs associated with our pre-opening obligations to you, such as the initial training we provide to you, access to our Manuals, our assistance in helping you to open your business, and a start-up package consisting of the following: one computer equipped with Microsoft Windows and QuickBooks, a tablet, ~~a one-year year subscription to security and backup software~~ interior showroom signage, showroom displays, demonstrator samples, start-up print materials, an initial \$5,000 sign allowance, a \$1,000 siding display allowance, a \$500 apparel allowance, ~~and the first twelve six~~ months of the basic Technology Fees plus premium services, and up to four additional, local domain-specific email addresses for one year.
3. Travel Expense: You are responsible for the cost of your transportation to our corporate office and training center in North Wilkesboro, North Carolina, to sign your franchise agreement and to attend new business owner training. We will pay for lodging during your visit. There is no separate training fee. You are responsible only for your travel expenses. This is an estimate for two ~~owners~~ Owners. If you bring additional ~~owners~~ Owners, you will incur additional costs. We assume you will combine the signing and training into a single trip. The cost of tickets to travel may be refundable under conditions permitted by the airline or other travel provider.
4. Leased Real Property: You must lease or provide a suitable facility for the Headquarters. ~~Your~~ Unless you receive our prior written consent for a variance, your Headquarters must have at least 5,000 square feet, private office space, a product showroom, a door suitable for loading and unloading product, and warehouse space. Unless you receive our prior ~~approval~~ written consent for a variance, the Headquarters must have a loading dock meeting our specifications. With our prior approval, you may have your warehouse and showroom/office space in different locations, but we must approve each location. We recommend that you have a single location with 5,000 square feet of flex space and our estimates here are for a lease of that type of space. You may choose a larger facility, but it will increase your operating costs. We recommend that you use one-third of the floor space for your showroom and offices and use the remaining two-thirds as a warehouse for product storage. Your cost to lease is difficult to quantify because there are factors that will impact what you pay. These factors include the facility's location, its square footage, cost-per-square foot, renovation costs and any required maintenance fees. Your landlord may refund your security deposit, but most will not refund rental payments. You should ask your leasing agent or landlord about their refund policy before you sign a lease agreement. We do not require you to purchase or build a facility. Your cost may increase over our projections should you choose to purchase or build. You should consider construction delays and their unpredictable cost before electing to build or purchase. You should seek professional advice if you choose to purchase or build. The estimates here reflect three months of rent expense.

5. Technology: This figure varies depending on the equipment you select. Refunds for such equipment are set by the vendor. The vendor may permit you to return your unopened equipment and receive a refund. The low estimate assumes that you obtain the required machine with copying, printing, and fax capabilities. The high estimate assumes that you obtain the required machine as well as the following optional items: another tablet, a credit card reader, cellular service for the tablet, and an additional email address.
6. Construction: This figure varies depending on your site and desired modification(s) to the premises. No up-fit is necessary in some buildings, while extensive up-fit may be necessary in other buildings. Your up-fit costs will vary depending on many factors, including the size, condition and location of the building, local wage rates, and the cost of materials. These costs are typically non-refundable.
7. Security Equipment: You are not required to purchase security equipment, but we recommend that you do. The high estimate represents the cost to purchase security equipment hardware for an 8,000 square foot space. The low estimate assumes you do not purchase security equipment. Refunds for such equipment are set by the vendor. The vendor may permit you to return your unopened equipment and receive a refund.
8. Office Furniture: These estimates are for the average costs to lease or purchase office furniture to fill a 5,000 square foot office space using one-third of that space as an office/showroom, and the remaining two-thirds as a warehouse. Refunds for such furniture are set by the vendor. The vendor may permit you to return your unused and/or unopened furniture and receive a refund.
9. Supplies for Installation: This estimate reflects the cost of supplies (caulk, trim, nails, coil, etc.) needed to install the inventory of windows, doors, and siding that you will sell during your first three months of operations. The purchase of inventory for windows, doors, and siding and all other products you may sell is not factored into this estimate. No supply of these products is required to begin operation of your Franchised Business. Typically, you will custom-order products to fulfill your sales contracts upon execution of the contract and receipt of a security deposit. Typically, these amounts are non-refundable.
10. Supplies for Installation (Roofing): If you are eligible to participate in the roofing program, you will incur additional costs for the supplies to install the roofing inventory. The low estimate assumes you do not participate in the roofing program and the high estimate assumes that you do. The purchase of inventory for roofing products is not factored into this estimate. No supply of these roofing products is required to begin operation of your Franchised Business. Typically, you will custom-order products to fulfill your sales contracts upon execution of the contract and receipt of a security deposit. Typically, these amounts are non-refundable.
11. Utility Deposit: This figure is an estimate of the total deposits paid for utilities at a new business. Figures will vary. We recommend that you initiate your telephone service at least three weeks prior to your opening so that you may receive calls generated from advertising that you roll out during this time period. Typically, these amounts are non-refundable.
12. Lease Deposit: Most landlords require a lease deposit. The low estimate assumes that you own the building for the Headquarters.
13. Required Professional Licenses: The jurisdiction where you locate the Franchised Business may require you to obtain a contractor's license or home improvement license. Typically, these amounts are non-refundable.

14. Vehicle: You are not required to purchase or lease a vehicle for your business. If you do not, your subcontracted installers will be responsible for transporting the products in their own vehicles and with their own equipment. The low estimate assumes that you have a suitable vehicle already or that your subcontracted installers have their own vehicle(s) and equipment. If you elect to purchase or lease a vehicle for the business, we recommend you have a late model (less than 5-year-old) vehicle in good condition. The high estimate represents three months of financed payments or lease payments for the vehicle. This estimate does not assume that you purchase the vehicle outright with cash, and if you do, your initial investment in the vehicle will be substantially higher. Typically, these amounts are non-refundable.
15. Vehicle Graphics: You may choose to obtain branded graphics for your vehicle. The low estimate assumes that you use your signage allowance provided in the startup package to cover the cost of the graphics or that you choose not to have vehicle graphics.
16. Initial Advertising: You must engage in an initial, three-month advertising campaign and spend at least \$30,000 during the campaign. We recommend that you start your campaign at least 30 days prior to opening for business. Depending on the size of your market, we may recommend that you budget more. Typically, these amounts are non-refundable.
17. Certain Compensation: You may choose to employ individuals to assist in the operation of your Franchised Business, including but not limited to front office people, salespeople, design consultants, and installers. You may choose to engage contractors rather than employees to provide sales, design consultant, or installer services.
18. Insurance: This insurance estimate reflects the insurance premium payments for three months for the minimum coverage that we require, discussed in more detail in Item 8. The major categories of insurance we require you to obtain include property insurance, workers' compensation insurance, and comprehensive general liability insurance.
19. Legal and Professional Fees: You may need to retain an attorney, an accountant, and other consultants to help you to establish your Franchised Business. Your cost will depend on the location of the Franchised Business, the prevailing rates of local attorneys, accountants, and consultants. Your costs for these services are typically nonrefundable. You should inquire about the refund policy of the attorney, accountant, or consultant at or before the time of hiring.
20. Exterior Signage: You must have a minimum of one exterior sign that complies with our brand standards. We will give you as part of your start up package, a \$5,000 exterior signage allowance. The \$0 estimate assumes that the exterior sign allowance covers the entire cost of your signage and the high estimate assumes that you must incur additional costs for it.
- ~~21. You must pay our approved vendor for call routing services to a branded phone number. As of the issuance date of this disclosure document, this fee is \$46.78 per month with a \$25 start-up fee, but our approved vendor may increase this fee at any time. Typically, these amounts are non-refundable. The estimate is for three months plus the start-up fee.~~
21. Additional Funds – 3 Months: We estimate the start-up phase to be three months from the date you open your business. These amounts do not include any estimates for ~~owner~~Owner salaries, ~~owner~~Owner living expenses, finance charges, interest, or debt service obligations. In creating this estimate we have considered ~~the fees described in Item 6 of this disclosure document,~~ rent, compensation for employees and contractors, utilities, maintenance, insurance, supplies, taxes, additional advertising, waste management services, required call routing services, a subscription to QuickBooks, and related operating costs. Royalties are

paid as part of the cost of goods sold. In our model, you will collect a customer deposit at the time the customer contract is signed. The balance of the contract price is collected upon installation. We recommend that you pay for product costs and sales commissions from the customer deposit. We relied upon the experience of our existing franchisees as reported to us. The operating costs on which you may use the cash reserve are typically non-refundable, but you should ask about refund policies before you patronize any vendor.

Table 2 – Satellites Within the Territory ¹

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

NOTES:

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

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required and Approved Vendors. We have the right to approve all vendors of all products you sell. Where we have designated an approved vendor, you must purchase all products from approved vendors. There may be multiple approved vendors for certain product lines and you may choose which vendor you use. A Franchised Business must currently sell ~~windows, patio doors, window and entry doors and~~ siding. If our designated vendor of siding has determined that there is a product that is suitable for sales in your market, you must also sell siding. You may also choose to sell the following products: patio doors, garage doors, shutters and accessories related to approved products, and, if we allow you to do so and you sign the roofing amendment, you may also sell roofing products and services. If you sell these optional products, you must purchase them through an approved vendor.

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

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

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

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

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

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

You must not use or set up any domain names, telephone numbers, or other electronic identities without your complying with our policies, which may require you to obtain prior written approval. We will own any and all domain names associated with the Franchised Business. If we spend more than \$50 per year to renew one or more domain names for your Franchised Business, you will reimburse us for any of our costs that exceed \$50. The telephone numbers and electronic identities you use in connection with the Franchised Business, including for purposes of print or online directories, advertising, marketing, or promotions, must be assigned to us. The form of this assignment is Attachment 4 to Exhibit A. We ~~reserve the right to~~may designate a vendor for telephone services, telephone numbers, and other electronic identities. If we require you to use this vendor, you must “port” or transfer all telephone numbers associated with the Franchised Business to the approved vendor.

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

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

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

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

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

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

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

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

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

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

For the year ending December 31, ~~2023~~2024, our total revenue from franchisee purchases made through approved vendors was ~~\$40,258,237~~ or ~~84.61~~84.61~~38,254,273~~ or 81.2% of our ~~2023~~2024 annual revenue of ~~\$47,578,652~~47,578,652~~47,127,079~~. Our affiliate, TMS LLC, received 100% of its ~~2023~~2024 total revenue of ~~\$1,286,060~~1,144,997 from sales to franchisees and they paid us royalties and administrative fees for certain shared services totaling ~~\$70,247~~49,978, which fees represent ~~0.15~~0.1% of our ~~2023~~2024 annual revenue of ~~\$47,578,652~~47,127,079. Our affiliate,

WW Technologies received \$903,800 or 95.6% ~~or \$716,008~~ of its total revenue of \$748,670,945,242 from the required purchases of technology services by franchisees and \$41,442 or 4.4% ~~or \$32,682~~ of its total revenue of \$748,670,945,242 from optional credit card processing services. We also received warranty income of \$400,300 or approximately 0.00001% of our 2023~~2024~~ income and fees for startup fees, website services, and other purchases from franchisees totaling \$170,055,369,183 or 0.360.78% of our 2023~~2024~~ income.

Certain vendors support our franchisee convention (what we call our “Family Reunion”) by sponsoring the event and paying for booth rental space at the vendor exhibition hall. Additionally, they occasionally support franchisee meetings and sales contests. During 2023~~2024~~, we received \$55,000~~623,500~~ from fees paid by vendors to sponsor, support and attend various franchisee meetings and sales contests.

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

Proportion of Purchases. The estimated proportion of purchases from approved vendors to all purchases you make in establishing your Franchised Business is 3–5%. The estimated proportion of purchases from approved vendors to all purchases you make in the operation of your Franchised Business is 42–45%. You must purchase 100% of your inventory of exterior remodeling products from approved vendors. These inventory purchases are only a percentage of your overall purchases in establishing and operating your Franchised Business.

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

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

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

Insurance. You are required to obtain from a nationally recognized insurance company having an A.M. Best rating of A or higher, and at all times during the ~~term~~Initial Term of the Franchise Agreement maintain in force and pay the premiums, for all types of insurance listed below. From time to time in our sole discretion, we may increase or modify such limits of liability or require additional types of coverage, including coverage for cyber liability. You agree to name us and any person or entity with an insurable interest we designate in these policies as an “additional insured” (each, an “Additional Named Insured”) which will expressly protect both you and the Additional Named Insured and will require the insurer to defend both you and us in

any action while reserving the Additional Named Insured's right to involve counsel of their own choosing in protection of their own and system wide interests. Additionally, your insurance policy must waive on behalf of the insurer any right of subrogation by the insurance company against us, the Additional Named Insureds, our officers, shareholders, and employees. Your insurance must apply as primary and non-contributory. If you fail to purchase or maintain required insurance, we may, but are not obligated to, obtain such insurance for you and keep the same in force and effect, and you shall pay us, on demand, all premiums charged for such insurance policies together with a reasonable fee for the expenses we incur in doing so. You must deliver to us at commencement and thereafter annually or at our request a proper certificate of insurance evidencing the existence of the required insurance coverage. We also may request copies of all insurance policies.

Unless you obtain our prior consent, you will be required to maintain insurance in the following amounts: fire, extended coverage, vandalism, malicious mischief and special extended peril insurance at no less than 90% of the actual replacement value of the building (if owned), and contents, and improvement; workers' compensation and other insurance required by law; comprehensive general liability insurance on an occurrence basis naming us and our officers, directors and employees as an additional insured as follows: Bodily injury to or death of one or more persons with minimum coverage of \$3,000,000; property damage or destruction with minimum coverage of \$3,000,000 per occurrence; public and product liability with minimum coverage of \$3,000,000; non-owned vehicle coverage with minimum coverage of \$500,000; owned vehicle coverage with minimum coverage of \$1,000,000.

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

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

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

- You must always assume all service and warranty obligations for work you perform during the ~~term~~ Initial and Renewal Term(s) of your Franchise Agreement, whether it was performed in the Territory or not. Your obligation to provide service and warranty

obligations to customers in Gray Areas that become part of another franchisee's Territory will cease once that franchisee commences operations.

- You must always assume all service and warranty obligations for work performed in your Territory, even if you did not make the original sale.
- If you purchase an existing Window World business, you must also assume all service and warranty obligations for work that was performed by the seller franchisee and all prior owners of the business, whether the work was performed inside the Territory or not, unless an exception applies.
- If you purchase a new franchise from us, you must assume all service and warranty obligations for work that was sold or performed within your Territory before the date you commence operations of your Franchised Business; provided that we will cover your warranty service expenses for the first 90 days after you purchase the franchise, or until you commence operating your business, whichever occurs first.

Additionally, if you or your affiliates are the owner of multiple Franchised Businesses and one or more of those franchises terminates, expires, or does not renew but you or your affiliates are still operating at least one active Franchised Business, we have the right, in our sole discretion, to require you or your affiliates to continue to provide all service and warranty obligations for work that was performed by the terminated, expired, or non-renewed franchise until such territory has been sold to a new franchisee or until all of your or your affiliates' franchises have ceased operating.

ITEM 9: FRANCHISEE'S OBLIGATIONS

FRANCHISEE'S OBLIGATIONS

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

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

- One tablet with ~~a~~ cellular service capability (you must pay for service)
- Microsoft Office – one year for one subscriber to Microsoft 365 Business
- ~~Intuit QuickBooks — one year~~ Up to four additional, local domain-specific email addresses for one subscriber year
- ~~One year of client security and cloud backup provided by TechSperts~~

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

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

Specifically, we will provide you with:

- Three rolling displays with signage to accommodate 28”x46” windows;
- Two displays with signage to accommodate 46”x46” windows;
- Five windows for window displays;
- One rotating glass demonstrator and pedestal;
- One brochure spinning display and literature holder;
- One small base patio door column set; ~~and~~
- Five door slab spinners (for 1.75” doors);
- Five entry door slabs for the door slab spinners;
- In-home product samples; and
- Interior showroom signage.

5. Provide you with up to a \$5,000 exterior sign allowance. (Franchise Agreement 4(a))
6. Provide you with a \$500 apparel allowance to be used with a vendor we approve. (Franchise Agreement 4(a))
7. Provide you with a package of start-up print materials from our approved vendor, which includes customer-facing materials about the brand, products and warranties and other materials like lead reports, job folders, letterhead and envelopes, thank you notes, business cards, and signs for use at your customer’s home. (Franchise Agreement 4(a))
8. Provide you with an initial training program (unless we both agree, in writing, to defer the training until post-opening). (Franchise Agreement 4(a))
9. Provide you with access to the current Manuals (including the Extranet, which contains digital resources and assistance for running the franchise). (Franchise Agreement 9(a))
10. To the extent we have them, we will provide you with specifications and/or a list of required or approved vendors for any required or recommended product or service to be used in

3. Participate in advertising and maintain a brand web site. (Franchise Agreement Section 8(f), 8(h))

Additional Notes on Pre-Opening Assistance

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

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

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

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

Site Construction, Décor, and Compliance. It is your responsibility to outfit your Headquarters and any Satellites. It is your responsibility to conform the plans to all local ordinances and

building codes, to obtain any required permits, and to pay any associated fees; we do not provide you assistance with these tasks. We require that each Headquarters and Satellite has signage bearing the Window World trademark in the manner prescribed in our then-current Brand Identity Guide. The construction, remodel and/or decoration of your Headquarters' and Satellites' interior is left to your discretion, subject to our approval, as long as you meet the minimum requirements and comply with brand standards, which we will provide to you. We encourage you to visit existing stores, which will provide insight for you as you select a location and prepare for opening.

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

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

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

You must independently subscribe to QuickBooks and use our designated chart of accounts. We estimate that you will spend about \$700 per year for a subscription to QuickBooks Online.

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

After your first year of operations, you may choose to obtain the required computer systems and related services from other approved vendors and not just the original vendor (WW360 remains the required CRM). If you replace or upgrade your laptop and other computer hardware, we estimate it will cost approximately \$2,000-\$3,000 to do so, but costs can vary widely based upon the type of hardware you choose. ~~We estimate that you will spend about \$700 per year for a subscription to QuickBooks Online. You are required to use QuickBooks.~~ All of these are subject to changes in vendor pricing.

Currently all the other required software is provided to you for the Technology Fee. The base Technology Fee is currently \$499 per month and is paid to us or our affiliate. You have the option to pay the Technology Fee annually for the upcoming calendar year. Currently, the Technology Fee includes CRM system WW360, ~~you~~ your own domain name, access to the Window

World Owner's Portal web site, and two email addresses. If you elect certain optional services or Premium Services, additional amounts will be added to the Technology Fee each month. We and our affiliate have the right to increase our Technology Fee at any time and to modify, remove, discontinue, or add functions, products, solutions, or services at any time, in our, or our affiliate's, sole discretion. We and our affiliate ~~also reserve the right to~~ may offer premium services for an additional fee. Ongoing maintenance, repairs, upgrades, or updates to the products and services provided through the Technology Fee are in our or our affiliate's sole discretion and not at our or its obligation. (Franchise Agreement Section 3(a)(iii); Master Services Agreement). We will own all domain names. If we spend more than \$50 per year to renew one or more domain names for your Franchised Business, you will reimburse us for any of our costs that exceed \$50.

The Technology Fee covers the costs for your use of two designated email addresses to be used in connection with the Franchised Business through the ~~term~~ Initial Term of your Franchise Agreement. ~~At your option, you may also maintain additional, approved email address(es) with an approved unique domain name. The Technology Fee covers the expense of maintaining this unique domain name. The cost of~~ The start up package includes up to four additional, local domain-specific email addresses for one year. If you elect to have additional email addresses is currently \$12.50 per month per address beyond what we or our affiliate provide, whether in the first year or thereafter, you will pay the vendor directly for them.

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

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

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

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

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

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

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

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

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

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

Below is the outline of the initial training.

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
<i>New Store Owner Training</i>			
The Window World Way, including overview of the W.I.N.D.O.W.S Selling System & Financing Program <u>10 Step Sales Process and Sales Leadership</u>	1.5 <u>2</u>	0	North Wilkesboro, NC or approved training location we designate.
Budgeting and <u>Managing Your Money</u>	2	0	North Wilkesboro, NC or approved training location we designate.
Accounting / QuickBooks <u>Billing and Accounts</u>	1.5 <u>1</u>	0	North Wilkesboro, NC or approved training

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
			location we designate.
Marketing /and Lead Generation	2 <u>1.5</u>	0	North Wilkesboro, NC or approved training location we designate.
Policies <u>and Compliance</u>	1	0	North Wilkesboro, NC or approved training location we designate.
Royalties <u>Lead Safe Work Practices</u>	1 <u>1.25</u>	0	North Wilkesboro, NC or approved training location we designate.
Installations / Lead Safe Work Practices <u>Wells Fargo Financing</u>	1 <u>1.25</u>	0	North Wilkesboro, NC or approved training location we designate.
Consumer Relations / Warranties <u>Products, Vendors, and Literature</u>	1 <u>1.5</u>	0 <u>3</u>	North Wilkesboro, NC or approved training location we designate.
Understanding Window World Products <u>WW360 Overview</u>	3 <u>1</u>	30 <u>0</u>	North Wilkesboro, NC or approved training location we designate.
Regional Manager Training /and Support	0	30	Franchised Business
New Store Owner Training Subtotal	1 <u>12.5</u>	33	
<i>WW360 Training</i>			
WW360 functionality, operations, implementation	6	12	Online and at the Franchised Business
WW360 Subtotal	6	12	
TRAINING TOTAL	20<u>18.5</u>	45	

(Franchise Agreement Section 4(a))

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

Other than the training we provide to your Operating Owner or the Operations Manager, we provide no pre-opening training to your employees or contractors. We do not assist you in hiring your employees or contractors.

Timing for Opening Your Window World Business

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

Additional Notes on Post-Opening Assistance

Product Development. We work with our approved manufacturers and vendors to provide new products to our franchisees. However, we are not responsible for delays or shortages our vendors may experience in fulfilling our franchisees' orders, whether due weather, supply chain issues, or other events. We encourage you to communicate with us regarding specific product needs in order to aid our discussions and continue product development through our vendors. However, we are under no obligation and may be unable to offer every product requested by franchisees or by potential customers. (Franchise Agreement Section 4(a); 10(a))

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

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

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

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

Conventions and Training. From time to time, we may offer conferences, instructional meetings, and other training courses at the intervals and in the manner we determine in our discretion, although we are not required to do so. We ~~reserve the right to~~ may require the

Operating Owner or Operations Manager to attend programs designated by us as mandatory. We can place restrictions on non-owner managers attending. Although we have offset some of the costs of these programs in the past, you will be responsible for all transportation, lodging, food and other costs incurred in attending such programs. Any trainer from the Window World operations team will have a minimum of three years of experience with Window World and/or in the sale of residential remodeling products. We may also invite outside experts or speakers to present at our conferences, meetings, or trainings. (Franchise Agreement Section 4(a); 9(g))

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

Administrative, Bookkeeping, Accounting and Inventory Control Procedures. You must implement our standard administrative, bookkeeping, or inventory control procedures as we may periodically establish. You must maintain your books for reporting purposes using the accrual accounting method (you may utilize cash basis for tax purposes). We ~~provide you with a one-year, one-user subscription to QuickBooks with the~~ will assist you in establishing the required chart of accounts ~~already established, which we require that you use for accounting purposes.~~ You are not permitted to alter the established chart of accounts, but you can add more detail in subaccounts. We do require that you submit financial reports to us on a semiannual basis. We also require annual reviewed financial statements, prepared by an independent certified public accountant. We also have the right to require other reports, financial statements, and information be submitted to us upon our request. (Franchise Agreement Section 4(a); 9(i))

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

Advertising

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

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

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

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

~~Any company-owned Window World business in the cooperative will participate on the same basis as similarly situated franchisees in the cooperative. Any amount you contribute to an advertising cooperative will count toward the 7% annual gross sales you are required to spend on local advertising. We have the discretion to grant exemptions from participation in the cooperatives to certain franchisees or company-owned businesses. We have a right to approve and alter the contribution rates set by the members of the Cooperative, subject to the cap of 3% of annual gross sales. (Franchise Agreement Section 8(a))~~

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

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

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

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

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

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

Manuals

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

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

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

Section	Number of Pages
9. Showroom and Vehicle Maintenance	4
10. Financial Management and Key Performance Indicators	7
Total Pages	107

ITEM 12: TERRITORY

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

No Minimum Territory. ~~We will grant, at a~~ There is no minimum, territory. Typically we grant you one county/parish as. However, your Territory may be smaller than one county/parish based upon population, geographic, demographic, and market factors that we deem relevant, in our sole discretion. For example, in a county containing a densely populated metropolitan area or covering a very large geographic area, you would likely receive a Territory smaller than the entire county. If you are granted a Territory that has more than one million owner-occupied homes, we may require you to open one or more Satellites within your Territory.

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

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

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

You will be in default under the Franchise Agreement if you fail to achieve the Minimum Market Share Index (“Minimum MSI”) for your market size after the 7th~~5th~~ year anniversary of your Franchise Agreement. “MSI” is defined the percentage of window and patio door units sold compared to the total estimated window and patio door unit sales opportunity within the Territory. If the default is not cured or the default is repeated in consecutive years or occurs two times in a three-year period, then we can terminate your Franchise Agreement. ~~The current initial Minimum MSI values for different market sizes are as follows:~~

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

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

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

The current initial Minimum MSI values and Minimum Entry Door Purchases for different market sizes are as follows:

	<u>Small</u>	<u>Medium</u>	<u>Large</u>	<u>Metro</u>
<u>Minimum MSI Per Year</u>	<u>5%</u>	<u>4%</u>	<u>3%</u>	<u>2%</u>
<u>Minimum Entry Door Purchases Per Year</u>	<u>\$25,000</u>	<u>\$35,000</u>	<u>\$45,000</u>	<u>\$60,000</u>

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

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

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

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

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

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

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

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

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

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

once it is granted as a territory or if we change our policy on Gray Areas and provide us with all customer information. You will be responsible for all installation service and warranty obligations for the customers to whom you sold product and services in the Gray Area until the time that those locations are incorporated into the territory of a franchisee and that franchisee commences operations.



Use of Alternate Trademark. In some cases, such as those discussed in the Limitations on use of Trademark section of Item 13 below, we may permit you to operate a Franchised Business selling the same products and services as the other franchisees (namely exterior remodeling products) under the World of Windows® or another Mark of our designation, if the Window World name is unavailable in the area in which you will operate due to competing businesses operating in the area whose use of the Window World trademark predates our use of the Marks. We do not own or operate any World of Windows® businesses. A Franchised Business using an alternate name will execute our standard Franchise Agreement and will abide by the same practices and procedures as all other Window World franchisees, meaning that, subject to our general reserved rights, the World of Windows® business will not be able to market, solicit, or sell products in the Territories of other Window World franchisees. We are still the franchisor for these businesses and will operate at the same office as we do for Window World franchisees and will maintain the same principal address. The Territory granted to our franchisees, regardless of the mark used by the franchisee to operate, remains exclusive to the franchisee. If there is any confusion or conflict between the franchisees using different Marks (whether regarding franchisor support, territory, customers, or another topic), we will seek to resolve them informally and, if necessary, through the dispute resolution provisions in the Franchise Agreement. Otherwise, neither we nor our affiliates franchises, or plans to operate or franchise, a business under a different trademark that will sell products and services similar to those that your Franchised Business will. We reserve all rights to do so in the future.

ITEM 13: TRADEMARKS

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

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

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

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

	REGISTRATION NUMBER	EFFECTIVE DATE OF REGISTRATION	MARK
3.			IMPROVING HOMES. CHANGING LIVES.

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

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

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

Pending Actions

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

Window World of St. Louis, Inc.; Window World of Kansas City, Inc.; Window World of Springfield/Peoria, Inc.; James T. Lomax III; and Jonathan Gillette, et al. v. Window World, Inc., Window World International, LLC, and Tammy Whitworth, (15-CVS-2), North Carolina Business Court (2015). On January 2, 2015, some of our franchisees filed a lawsuit against us and Window World International, LLC in Wilkes County (NC) Superior Court alleging that we repudiated a purported settlement agreement and seeking to have a declaratory judgment entered regarding the existence of the purported settlement agreement, issuance of an injunction to force us to sign the settlement agreement and requiring us to enter into a new franchise agreement with plaintiffs (“Settlement Claims”). In the alternative, the plaintiffs seek damages from us for: our alleged failure to provide them with a copy of a Franchise Disclosure Document, alleged fraudulent conveyance of our intellectual property (including our Marks) to Window World International, LLC, alleged breach of contract, alleged antitrust violations, alleged breach of the covenant of good faith and fair dealing, alleged fraud, alleged negligent misrepresentation, alleged violations of the North Carolina Unfair and Deceptive Trade Practices Act, and alleged unjust enrichment. This lawsuit has been designated as a Mandatory Complex Business Case and has been assigned to the North Carolina Business Court. After the Court ordered the plaintiffs to join another franchisee, James Roland, in the Settlement Claims, and plaintiffs failed to so do, the Court dismissed without prejudice the plaintiffs’ Settlement Claims in the action. In 2016, the Court dismissed with prejudice plaintiffs’ antitrust-related claims. On January 11, 2017, the plaintiffs filed a Third Amended Complaint wherein they added Tammy Whitworth as a defendant. On November 26, 2024, the Court entered summary judgment dismissing certain of plaintiffs’ claims against Window World, Inc. and Window World International, LLC and ordering certain of plaintiffs’ claims to proceed to trial. In that same order, the Court denied plaintiffs’ request for summary judgment on many of their claims against Window World, Inc. and Window World International, LLC and ordered each of those claims to proceed to trial. We dispute the allegations in plaintiffs’ Third Amended Complaint and continue to vigorously defend ourselves in the litigation.

Window World of Baton Rouge, LLC; Window World of Dallas, LLC; Window World of Tri State Area, LLC; and James A. Roland v. Window World, Inc., Window World International, LLC, and Tammy Whitworth, (15-CVS-1), North Carolina Business Court (2015). On January 2, 2015, Window World of Baton Rouge, LLC, Window World of Dallas, LLC, Window World of Tri State Area, LLC, and James A. Roland (our franchisees), filed a lawsuit against us and Window World International, LLC in Wilkes County (NC) Superior Court for an alleged failure to provide plaintiffs with a copy of a Franchise Disclosure Document, alleged breach of contract, alleged antitrust violations, alleged breach of the covenant of good faith and fair dealing, alleged fraud in the inducement, alleged fraud, alleged negligent misrepresentation, alleged violations of the North Carolina Unfair and Deceptive Trade Practices Act, alleged fraudulent conveyance of trademarks to Window World International, LLC, and alleged unjust enrichment. The Complaint states that it seeks relief in the alternative to the relief the same plaintiffs sought in another previously filed lawsuit in Louisiana. This lawsuit has been designated as a Mandatory Complex Business Case and has been assigned to the North Carolina Business Court. In 2016, the Court dismissed with prejudice plaintiffs’ antitrust-related claims. On January 11, 2017, the plaintiffs filed a Third Amended Complaint wherein they added Tammy Whitworth as a defendant. On November 26, 2024, the Court entered summary judgment dismissing certain of plaintiffs’ claims against Window World, Inc. and Window World International, LLC and ordering certain

of plaintiffs' claims to proceed to trial. In that same order, the Court denied plaintiffs' request for summary judgment on many of their claims against Window World, Inc. and Window World International, LLC and ordered each of those claims to proceed to trial. We dispute the allegations in plaintiffs' Third Amended Complaint and continue to vigorously defend ourselves in the litigation.

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

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

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

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

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

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

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

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

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

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

We also have certain Confidential Information which is proprietary and which you will have access to as part of your operations of the Franchised Business. The “Confidential Information” includes information, not generally known to the public, in any form, relating to the Franchised Business and its operations, including all trade secrets; all knowledge, know-how, standards, processes, methods, and procedures related to the establishment and operation of the Franchised Business not generally known to the public; all records pertaining to customers and vendors of, and/or related in any way to, the Franchised Business (such as all names, addresses, phone numbers, email addresses for customers and vendors; customer purchase records; customer measurements; customer preferences; and mail lists); franchisee lists; vendor information; pricing data; sources of supply; technical information about Window World products and services; electronic code, formulas, compositions, inventions, research, designs, advertising materials, and business, sales, and advertising strategies; financial information; business forms and customer contract forms and documents; databases; training materials; knowledge of the franchise system; contracts and agreements; transaction information; negotiations and pending negotiations for the sale of Window World products and services; other proprietary information; and any other data and information that we designate as confidential, including the Manuals.

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

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

If you or your ~~owners~~Owners, officers, managers, independent contractors, or employees conceive, invent, create, design and/or develop any ideas, techniques, methods, processes or procedures, products, packaging or other concepts and features directly relating to operations,

business practices or the manufacturing, production, marketing or sale of Window World products, or related products in connection with the Franchised Business (“Innovations”), you (or they) will be deemed to have assigned all of your (or other) rights, title and interests in the Innovations, including any intellectual property rights, to us. Each of these people and parties must cooperate with us in connection with protecting the Innovations, including executing any and all instruments and do any and all acts necessary to establish our ownership of the Innovations.

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

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

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

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

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

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

All ~~owners~~Owners, their spouses, and, as applicable, any non-owner Operations Manager, must sign our then-current forms of confidentiality, non-compete, and non-solicitation agreements. All ~~owners~~Owners of 5% or more in the Franchised Business and their spouses or domestic partners must also execute a Limited Personal Guaranty (see Attachment 3 to Exhibit A). The effect of these agreements on an ~~owner's~~Owner's spouse is to require the spouse to comply with the same confidentiality, non-competition, and non-solicitation covenants ~~as of an owner~~as of an Owner. These restrictions include limitations on disclosing confidential information, providing competing services, and soliciting or diverting customers, prospective customers, and vendors. The spouse's obligations under the Limited Personal Guaranty include guaranteeing repayment of any customer deposits or fulfilling all obligations related to the customer deposits at the time of termination, expiration, non-renewal, or transfer of the Franchise Agreement or upon bankruptcy or similar events of the franchisee.

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

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

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

THE FRANCHISE RELATIONSHIP

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

<u>Franchise Agreement</u>		
Provision	Section In Franchise Or Other Agreement	Summary
a. Length of the franchise term	Franchise Agreement 2(a)	The initial term <u>Initial Term</u> of your Franchise Agreement is 10 years.
b. Renewal or extension of the term	Franchise Agreement 2(b)	If you timely satisfy all conditions for renewal, you may enter into renewal franchise agreement for an additional <u>Renewal Term of 10-year term</u> years.
c. Requirements for franchisee to renew or extend	Franchise Agreement 2(b)	You must give written notice of your intent to renew within a specific window of time and be in compliance with the Franchise Agreement and your other obligations, including payment of all amounts. You must upgrade your business to our then-current standards, provided you are not required to spend more than \$50,000 as part of the upgrade. You must <u>not have certain levels of debts in your business or to vendors. You must meet other certain financial criteria. You must agree to the terms of the then-current franchise agreement then being offered and sign a general release. You must not be in default nor have more than 32 notices of default during any 1824-month period during the term preceding the expiration of the Initial Term. You must have the right to continue possession of the Headquarters for at least the first 12 months of the renewal term</u> <u>Renewal Term</u> or satisfy our alternative. All Operating Owners or Operations Managers must comply with the then-current training requirements. You must provide us with all information and forms that we reasonably designate. You must have achieved certain minimum performance standards. <u>Your business must have a minimum consumer rating. You must have Fully Implemented the Computer Systems we require.</u> There is no renewal fee. <u>You must comply with our current branding requirements and any other then-current requirements for renewal set forth in the Manuals.</u> You will be required to travel at your expense to our

Franchise Agreement		
Provision	Section In Franchise Or Other Agreement	Summary
		headquarters to execute the renewal documents. On “renewal,” you may be asked to sign a franchise agreement with materially different terms and conditions than the original contract. The protected territory, fees, and performance standards could be different, among other items.
d. Termination by franchisee	Franchise Agreement 14(d)	If you are in compliance with your obligations, you can terminate the Franchise Agreement by delivering 6 months written notice to us. You must comply with our instructions for the orderly wind-down of the Franchised Business, among other things. You will be required to abide by your post-termination obligations including the non-compete and confidentiality provisions. This provision is subject to state law.
e. Termination by franchisor without cause	Franchise Agreement 11(h)	If upon conclusion of a franchisee ownership transfer, an owner <u>Owner</u> no longer has any interest in the franchisee business entity, then the franchise relationship between us and that former owner automatically terminates, whether or not such former owner signed the Franchise Agreement as an individual owner. Otherwise, we cannot terminate without cause.
f. Termination by franchisor with cause	Franchise Agreement 14(a) to (c)	Section 14(a) describes causes for automatic termination. Section 14(b) describes cause for termination upon notice, without an opportunity to cure. Section 14(c) describes causes for termination after notice after an <u>and</u> opportunity to cure.
g. “Cause” defined – curable defaults	Franchise Agreement 14(c)	Any non-compliance with the terms of the Franchise Agreement or our system standards and Manuals; failure to promptly pay money owed; failure to submit financial or other information; commencing operations without receiving our prior approval; operations result in health or safety hazards; misuse or unauthorized use of system, confidential information, and marks; inadvertently understating financial information; failure to promptly pay creditors and vendors or failure to maintain good credit rating; unauthorized out of territory activities; failure to comply with requirements of the computer systems; unacceptable customer ratings; failure to provide certification of financial standards being

Franchise Agreement		
Provision	Section In Franchise Or Other Agreement	Summary
		<p>achieved; abuse of customers and the like; failure to obtain prior permission before establishing a site for operations; loss of required license; violation of applicable laws; failure to provide required telephone numbers that can be contacted in the way we designate; other defaults under other agreements that can be cured; breach of obligations under warranty programs; individual owners Owners have assignments for creditors, bankruptcy, insolvency, and similar events; failure to comply with all transfer conditions; <u>failure to offer and sell all required products and services.</u></p>
h. "Cause" defined – non-curable defaults	Franchise Agreement 14(a) to (b)	<p>The following occur with respect to the business entity: assignment for creditors, bankruptcy, dissolution, insolvency, appointment of a receiver, and similar events; abandonment of the business or failure to respond for more than 5 days; unauthorized transfers; failure to timely transfer after a death or disability; two times within a 12 month period or three times within an 18 month period you receive a notice of default; you fail to comply with any covenants; you make misrepresentations or breach any warranty; knowingly or intentionally making or submitting false books and records; acts or omissions resulting in material impairment to the goodwill of the network, system, and trademarks; failure to deal honestly and fairly with employees, vendors, or customers; failure to comply with or rectify issues identified in government order; failure to open within 3 months of the execution of the agreement; operating under any unapproved trademark; violating any data privacy law or requirements; certain events that occur within 12 months of the execution of the franchise agreement relating to training, representations and warranties, or pre-opening obligations; business entity becomes insolvent; criminal conduct, convictions, or the like that are not resolved within a certain period of time by existing <u>exiting</u> the business; four or more determinations of territory infringement in a two year period; <u>failure to offer and sell all required products and services</u>; multiple failure <u>multiple failures</u> to achieve the Minimum MSI and/or Minimum Door</p>

Franchise Agreement		
Provision	Section In Franchise Or Other Agreement	Summary
		Entry Purchases; any default under other agreements with us that are not timely cured; other non-curable defaults.
i. Franchisee's obligations on termination/non-renewal	Franchise Agreement 15	Cease to operate; cease to use our system and confidential information; cease using all of our trademarks; return our property to us; cancel any assumed names; pay all amounts due to us, including amounts arising subsequent to termination or non-renewal; comply with your confidentiality and indemnification obligations; comply with the post-term non-solicitation and non-compete covenants; deidentify the business as we require; comply with our instructions related to computer systems and data; assign to us or grant possession of your business operation sites; cooperate with our right to purchase the business assets; tender money received for any uncompleted orders <u>jobs</u> to us; cooperate with our rights to assume ownership and access to online presences, registration, license, phone numbers, advertisements, email addresses, etc.
j. Assignment of contract by franchisor	Franchise Agreement 11(a)	We may freely assign our rights and duties under the Franchise Agreement without your consent.
k. "Transfer" by franchisee – defined	Franchise Agreement 11(b)	The definition of transfer includes issuance, sale, assignment, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by judicial order, merger, consolidation share exchange, transfer by operation of law, and structural and ownership changes in the business entity.
l. Franchisor approval of transfer by franchisee	Franchise Agreement 11(c) to (d)	You may not engage in any transfer without our prior consent. Failure to obtain our consent is cause for termination.
m. Conditions for franchisor approval of transfer	Franchise Agreement 11(c) to (d)	You must be in full compliance with the Franchise Agreement. The transferee and any remaining owners <u>Owners</u> of the franchise must sign the then-current form of franchise agreement and related agreements. Any exiting owner <u>Owner</u> must sign our form of termination agreement. You must execute a general release. The transferee must provide us with all required documents, assume your obligations, complete our required training, and meet our then-current qualifications for new franchisees. The

Franchise Agreement		
Provision	Section In Franchise Or Other Agreement	Summary
		transferor must comply with continuing indemnification, confidentiality, non-compete, and non-solicitation obligations post-transfer. You must pay us our then-current transfer fee and, if applicable, the seller's transfer obligation deposit. You (or the transferee with our permission) must upgrade your business to our then-current standards provided (you are not required to spend more than \$50,000 as part of the upgrade <u>if you are in compliance with the Franchise Agreement</u>). A deposit is due for certain kinds of transfer transactions to ensure that all transfer obligations are completed by the transferor and can be refunded if requirements are met. Under certain kinds of transfers, the transferor must pay off all liabilities to vendors. If a transfer is to an approved immediate family member, no transfer fee is applicable and we will not have a right of first refusal.
n. Franchisor's right of first refusal to acquire franchisee's business	Franchise Agreement 11(c)	If you propose to engage in a transfer, we have a 45 day right of first refusal. We may assign it to another. We may substitute value for cash. If a transfer is to an approved immediate family member, we will not have a right of first refusal.
o. Franchisor's option to purchase franchisee's business	Franchise Agreement 15(b)	We may purchase your business assets for fair market value (as defined in the Franchise Agreement) upon termination, non-renewal, or expiration of the Franchise Agreement.
p. Death or disability of franchisee	Franchise Agreement 11(e)	Upon death or disability of an owner <u>Owner</u> , the Franchised Business must be transferred within 9 months. During the period between death or disability and the transfer, the business must be operated by an Operating Owner or Operations Manager. The transfer will be subject to all the typical terms of a transfer. No transfer fee is due if the transfer is to an immediate family member.
q. Non-competition covenants during the term of the franchise	Franchise Agreement 12(b), (d), (e), (g); Nondisclosure and Non-Competition Agreement; Nondisclosure and Non-Solicitation	During the term <u>Initial Term</u> of the Franchise Agreement, you cannot (i) engage in certain kinds of solicitations of vendors or customers and (ii) engage in providing competing services and products or be employed by parties doing so, loan money to them, or have an interest in them. Your individual owners <u>Owners</u> and their spouse or

Franchise Agreement		
Provision	Section In Franchise Or Other Agreement	Summary
	Agreement	domestic partners and any Operations Managers shall enter into agreements containing similar restrictions.
r. Non-competition covenants after the franchise is terminated or expires.	Franchise Agreement 12(c), (d), (e), (g); Nondisclosure and Non-Competition Agreement; Nondisclosure and Non-Solicitation Agreement	<p>For a period of 2 years following the termination, expiration, or non-renewal of the Franchise Agreement, you cannot (i) engage in certain kinds of solicitations of vendors or customers or (ii) engage in providing competing services and products or be employed by parties doing so in certain capacities where you would disclose Confidential Information, loan money to them, or have an interest in them. These activities are prohibited in the area that was the Territory, any area where you provided products or services, or any other Window World business's territory. This provision is subject to state law.</p> <p>Your individual owners<u>Owners</u> and their spouses or domestic partners and any Operations Managers shall enter into agreements containing similar restrictions.</p>
s. Modification of the agreement	Franchise Agreement 20(c), (e)	The Franchise Agreement will not be modified unless it is modified through an agreement signed by both you and us or if a change we propose is agreed to by 80% of the then-current franchisees. <u>We can modify the System and the Manuals in our sole discretion.</u>
t. Integration / merger clause	Franchise Agreement 20(c)	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. Notwithstanding the foregoing, nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document, its exhibits, and amendments.
u. Dispute resolution by arbitration or mediation	Franchise Agreement 18(a)	You must bring all disputes to us prior to bringing a claim before a third party. After exhausting this internal dispute resolution procedure, at our option, all claims or disputes between you and us must be submitted first to mediation in North Wilkesboro, North Carolina in accordance with the American Arbitration Association's Commercial Mediation Rules. This provision is subject to state law. <u>We are not obligated to bring claims through mediation first.</u>

Franchise Agreement		
Provision	Section In Franchise Or Other Agreement	Summary
v. Choice of forum	Franchise Agreement 18(b)	All claims not subject to informal resolution or mediation must be brought before a court of competent jurisdiction for Wilkes County, North Carolina. This provision is subject to state law.
w. Choice of law	Franchise Agreement 18(gf)	The Franchise Agreement is exclusively governed and interpreted by the laws of the State of North Carolina. This provision is subject to state law.

Master Services Agreement (“MSA”)		
Provision	Section In Franchise Or Other Agreement	Summary
a. <u>Length of the franchise term</u>	<u>MSA 4</u>	<u>10 years.</u>
b. <u>Renewal or extension of the term</u>	<u>MSA 4(b)</u>	<u>Typically no renewal or extension is offered; if specifically agreed upon by the parties, the MSA will renew on a month to month basis unless Window World gives notice that the franchisee must sign the then-current version of the MSA.</u>
c. <u>Requirements for franchisee to renew or extend</u>	<u>MSA 4(b)</u>	<u>The special extension provisions must have been selected and the franchise agreement must be renewed or ongoing. On “renewal,” you may be asked to sign an MSA with materially different terms and conditions than the original contract.</u>
d. <u>Termination by franchisee</u>	<u>MSA 5(a)</u>	<u>MSA terminates automatically if franchisee terminates the franchise agreement in accordance with its terms.</u>
e. <u>Termination by franchisor without cause</u>	<u>MSA 5(f)</u>	<u>Window World can terminate for any reason.</u>
f. <u>Termination by franchisor with cause</u>	<u>MSA 5(a)-(e), and (g)</u>	<u>Section 5(a)-(e), and (g) describe termination by Window World with cause.</u>
g. <u>“Cause” defined – curable defaults</u>	<u>MSA 5(c), (d), (e) and (g)</u>	<u>Failure to pay fees due; failure to have sufficient funds in the payment account; any curable default under the franchise agreement. Window World has the discretion to grant a cure period for certain non-curable defaults as well.</u>
h. <u>“Cause” defined – non-curable defaults</u>	<u>MSA 5(a) – (c)</u>	<u>Termination, expiration or non-renewal of the franchise agreement; defaults under the franchise agreement; ceasing operations; bankruptcy,</u>

Master Services Agreement (“MSA”)		
<u>Provision</u>	<u>Section In Franchise Or Other Agreement</u>	<u>Summary</u>
		<u>insolvency, and the like; violate the terms of use or privacy policy or those of third parties; unauthorized use of services, data, or documentation; unauthorized collection, sharing, disclosure or storing of data; confidentiality breach; breaches of the client obligations of the MSA; other breaches of the additional services agreements.</u>
<u>i. Franchisee’s obligations on termination/non-renewal</u>	<u>MSA 5(g)</u>	<u>All payments due. All access to data and services will terminate.</u>
<u>j. Assignment of contract by franchisor</u>	<u>MSA 10(b)(i)</u>	<u>We may freely assign our rights and duties under the MSA without your consent.</u>
<u>k. “Transfer” by franchisee – defined</u>	<u>MSA 10(b)(ii)</u>	<u>Same definition as franchise agreement.</u>
<u>l. Franchisor approval of transfer by franchisee</u>	<u>MSA 10(b)(ii)</u>	<u>Window World approval is required.</u>
<u>m. Conditions for franchisor approval of transfer</u>	<u>MSA 10(b)(ii)</u>	<u>Compliance with transfer conditions under franchise agreement and new execution of the MSA by the transferee.</u>
<u>n. Franchisor’s right of first refusal to acquire franchisee’s business</u>		<u>Not applicable.</u>
<u>o. Franchisor’s option to purchase franchisee’s business</u>		<u>Not applicable.</u>
<u>p. Death or disability of franchisee</u>		<u>Not applicable.</u>
<u>q. Non-competition covenants during the term of the franchise</u>		<u>Not applicable.</u>
<u>r. Non-competition covenants after the franchise is terminated or expires.</u>		<u>Not applicable.</u>
<u>s. Modification of</u>	<u>MSA 10(d)</u>	<u>Mutual agreement in writing.</u>

Master Services Agreement (“MSA”)		
<u>Provision</u>	<u>Section In Franchise Or Other Agreement</u>	<u>Summary</u>
<u>the agreement</u>		
<u>t. Integration / merger clause</u>	<u>MSA 10(n)</u>	<u>Only the terms of the franchise agreement, the MSA, the additional services agreements and related exhibits are binding (subject to applicable state law.) Nothing in the MSA or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document, its exhibits, and amendments.</u>
<u>u. Dispute resolution by arbitration or mediation</u>	<u>MSA 10(g)</u>	<u>Same terms as the franchise agreement.</u>
<u>v. Choice of forum</u>	<u>MSA 10(g)</u>	<u>Same terms as the franchise agreement.</u>
<u>w. Choice of law</u>	<u>MSA 10(g)</u>	<u>Same terms as the franchise agreement.</u>

ITEM 18: PUBLIC FIGURES

We do not use any public figures to promote our franchise system.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

Background. This Item 19 sets forth certain historical data as provided by our franchisees. This data is for the period January 1, ~~2023~~2024 to December 31, ~~2023~~2024 for gross sales and gross window and patio door unit sales. Our franchisees have voluntarily submitted this data or the vendors from whom franchisees purchase windows have provided it to us. Franchisees use the accounting procedures they independently select. As used in this Item 19, “gross sales” means the total sales generated by the business without any deductions. “Gross sales” does not include deductions for sales tax paid to taxing authorities. As used in this Item 19, “gross window and patio door unit sales” refers to the number of windows and patio doors sold by the business. “Gross window and patio door unit sales” does not refer to the numbers of other exterior remodeling products a franchisee may sell, such as entry doors, siding, garage doors, roofing, etc.

The data are presented according to market size and type of owner. Territories are classified as: (1) small market; (2) medium market; (3) large market; or (4) metro market. Small market

territories have 150,000 or less owner-occupied households within the territory. Medium market territories have between 150,001 and 250,000 owner-occupied households within the territory. Large market territories have between 250,001 and 550,000 owner-occupied households within the territory. Metro market territories have 550,001 or more owner-occupied households within the territory. Some of our franchisees who own multiple units report their numbers to us on a consolidated basis. We refer to these markets as “combined markets.” We display this data in separate ~~tables~~ paragraphs as we are unable to breakdown the data into distinct territories. Owner-occupied households is determined according to data reported by the United States Census Bureau for 2020. ~~As of the date of this disclosure document.~~ We have a reasonable basis to believe this data reflects the current performance of the franchise system as a whole. We do not include any data from outlets which are owned or operated by our affiliate.

Franchisee Gross Sales – ~~2023~~2024. The following ~~table presents~~ paragraphs present the annual gross sales reported by Window World franchisees which were open and operating for the entire ~~2023~~2024 calendar year under substantially the same ownership. 209 franchisees ~~operated the entire 12-month period of 2023.~~ 191 were open at the end of the calendar year 2024. 185 of those franchisees share the common characteristic that they operate and report sales figures as a single licensed territory. ~~Of those 191 franchisees, 191 reported gross sales figures for the 2023 calendar year to us.~~ 18 franchisees operated and reported as combined markets for the ~~2023~~2024 calendar year. The outlets in this sample do not differ materially from those being offered in the disclosure document. The total systemwide sales of all our franchisees (including those operating combined markets) ~~for 2023 was \$1,189,629,477.17 and those that did not operate for the entirety of the calendar year under substantially the same ownership) for 2024 was \$1,120,135,423.97.~~

Small Market Franchisee Businesses – ~~2023~~ Results

~~69~~68 small market businesses reported total gross sales for a single market for ~~2023~~2024. The total gross sales for these small market businesses were ~~\$218,686,467.10~~213,546,827.07, ranging from a low of ~~\$441,980.75~~568,285.96 to a high of ~~\$8,978,749.77~~8,574,494.93. Average gross sales for the small market were ~~\$3,169,369.09~~3,140,394.52. Median sales for the small market were ~~\$2,716,897.27.~~ 302,627,607.11. 31 businesses or ~~43~~46% of reporting businesses attained or surpassed the average gross sales for the small market. ~~A breakdown of small markets are as follows:~~ 34 businesses or 50% of reporting businesses attained or surpassed the median gross sales for the small market.

Small Market Gross Sales	Number of Franchisees Falling Within Stated Range	Number of Franchisees Exceeding Stated Range	Small Market Total
\$0 – \$999,999	5	64	5
\$1M – \$1,999,999	17	47	22
\$2M – \$2,999,999	15	32	37
\$3M – \$3,999,999	15	17	52
\$4M – \$4,999,999	6	11	58
\$5M – \$5,999,999	2	9	60
\$6M – \$6,999,999	6	3	66

Small Market Gross Sales	Number of Franchisees Falling Within Stated Range	Number of Franchisees Exceeding Stated Range	Small Market Total
\$7M – \$7,999,999	2	1	68
\$8M – \$8,999,999	1	0	69

Medium Market Franchisee Businesses —2023 Results

~~56~~54 medium market businesses reported total gross sales for a single market for ~~2023~~2024. The total gross sales for these medium market businesses were ~~\$314,789,308.87~~\$287,276,036.92, ranging from a low of ~~\$960,695.38~~\$608,909.77 to a high of ~~\$18,908,487.52~~\$22,132,514.74. Average gross sales for the medium market were ~~\$5,621,237.66~~\$5,319,926.61. Median sales for the medium market were ~~\$5,416,196.81~~\$274,682,175.62. ~~24~~24 businesses or ~~48%~~44% of reporting businesses attained or surpassed the average gross sales for the medium market. ~~A breakdown of medium markets are as follows:~~27 businesses or ~~50%~~50% of reporting businesses attained or surpassed the median gross sales for the medium market.

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

Large Market Franchisee Businesses —2023 Results

~~45~~42 large market businesses reported total gross sales for a single market for ~~2023~~2024. The total gross sales for these large market businesses were ~~\$285,942,792.57~~\$256,821,927.65, ranging from a low of ~~\$581,650.73~~\$1,202,262.24 to a high of ~~\$49,664,480.39~~\$18,122,889.06. Average gross sales for the large market were ~~\$6,354,284.28~~\$6,114,807.80. Median sales for the large market were ~~\$5,261,082.63~~\$175,020,636.25. ~~15~~15 businesses or ~~38~~36% of reporting businesses

attained or surpassed the average gross sales for the large market. ~~A breakdown of large markets are as follows:~~ 21 businesses or 50% of reporting businesses attained or surpassed the median gross sales for the large market.

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

Metro Market Franchisee Businesses – 2023 Results

21 metro market businesses reported total gross sales for a single market for ~~2023~~2024. The total gross sales for these metro market businesses were ~~\$244,089,146.52~~238,738,457.49, ranging from a low of ~~\$1,034,534.11~~889,064.00 to a high of ~~\$44,893,255.85~~45,041,242.35. Average gross sales for the metro market were ~~\$11,623,292.69~~11,368,497.98. Median sales for the metro market were ~~\$5,716,394.67~~5,932,422.68. 7 businesses or 33% of reporting businesses attained or surpassed the average gross sales for the metro market. ~~A breakdown of metro markets are as follows:~~ 11 businesses or 52% of reporting businesses attained or surpassed the median gross sales for the metro market.

Metro Market Gross Sales	Number of Franchisees Falling Within Stated Range	Number of Franchisees Exceeding Stated Range	Metro Market Total
\$1M – \$1,999,999	3	18	3
\$2M – \$2,999,999	4	14	7
\$3M – \$3,999,999	0	14	7
\$4M – \$4,999,999	1	13	8
\$5M – \$5,999,999	3	10	11
\$6M – \$6,999,999	0	10	11

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

Combined Market Franchisee Businesses—2023 Results

18 franchises reported total gross sales for as combined markets for ~~2023~~2024. These 18 franchises are owned by ~~75~~ franchisees. The total gross sales for these combined markets were ~~\$124,482,361.66~~\$121,167,369.58, ranging from a low of ~~\$4,486,341.88~~\$3,999,931.88 to a high of ~~\$30,530,565.07~~\$30,199,636.07. Average gross sales for the combined markets were ~~\$17,783,194.52~~\$17,309,624.23. Median sales for the combined markets were ~~\$17,044,037.48~~\$18,212,403.55. ~~34~~ of 7 franchisees reporting their markets as combined markets (or ~~43~~57%), attained or surpassed the average gross sales for the combined markets. ~~A breakdown of 4 of 4 franchisees reporting their markets as combined markets are as follows:~~(or 57%), attained or surpassed the median gross sales for the combined markets.

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

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

Franchisee Gross Window and Patio Door Unit Sales – 20232024. The following table presents paragraphs present the annual gross window and patio door unit sales reported by Window World’s approved window and patio door vendors for franchisees that were open and operating for the entire 20232024 calendar year. 209 franchisees operated the entire 12-month period of 2023. 205 were open at the end of the calendar year 2024. 203 of those franchisees share the common characteristic that they operated and had sales figures reported as a single licensed territory. Of those 205 franchisees, 205 had gross window and patio door unit sales figures for the 2023 calendar year reported to us. 4 franchises operated and were reported as combined markets for the 20232024 calendar year. The outlets in this sample do not differ materially from those being offered in the disclosure document. The total systemwide gross window and patio door unit sales of all our franchisees (including those operating combined markets) for 2023 was 1,165,191 and those that did not operate for the entirety of the calendar year) for 2024 was 1,094,376.

Small Market Franchisee Businesses –2023 Results

68 small market businesses had total gross window and patio door unit sales reported for a single market for 20232024. The total gross window and patio door unit sales for these small market businesses were 205,206199,730, ranging from a low of 282606 to a high of 9,62910,858. Average gross window and patio door unit sales for the small markets were 3,0182,937. Median sales for the small markets were 2,576. 272,600. 29 businesses or 3943% of reported businesses attained or surpassed the average gross window and patio door unit sales for the small market. A breakdown of small markets are as follows: 34 businesses or 50% of reported businesses attained or surpassed the median gross window and patio door unit sales for the small market.

Small Market Gross Window and Patio Door Unit Sales	Number of Franchisees Falling Within Stated Range	Number of Franchisees Exceeding Stated Range	Small Market Total
0–1,000–	4	64	4
1,000–1,999–	17	47	21

Small Market Gross Window and Patio Door Unit Sales	Number of Franchisees Falling Within Stated Range	Number of Franchisees Exceeding Stated Range	Small Market Total
2,000 — 2,999	20	27	41
3,000 — 3,999	10	17	51
4,000 — 4,999	9	8	60
5,000 — 5,999	3	5	63
6,000 — 6,999	3	2	66
7,000 — 7,999	1	1	67
8,000 — 8,999	0	1	67
9,000 — 9,999	1	0	68

Medium Market Franchisee Businesses —2023 Results

~~69~~68 medium market businesses had total gross window and patio door unit sales reported for a single market for ~~2023~~2024. The total gross window and patio door unit sales for these medium market businesses were ~~356,769~~340,382, ranging from a low of ~~428~~446 to a high of ~~15,799~~19,369. Average gross window and patio door unit sales for the medium markets were ~~5,171~~5,006. Median sales for the medium markets were ~~4,466~~4,245. 29 businesses or ~~42~~43% of reported businesses attained or surpassed the average gross window and patio door unit sales for the medium market. ~~A breakdown of medium markets are as follows:~~34 businesses or 50% of reported businesses attained or surpassed the median gross window and patio door unit sales for the medium market.

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

Large Market Franchisee Businesses —2023 Results

4443 large market businesses had total gross window and patio door unit sales reported for a single market for 20232024. The total gross window and patio door unit sales for these large market businesses were 275,792247,263, ranging from a low of 526666 to a high of 22,03915,620. Average gross window and patio door unit sales for the large markets were 6,2685,750. Median sales for the large markets were 4,4564,252. 14 businesses or 3133% of reported businesses attained or surpassed the average gross window and patio door unit sales for the large market. A breakdown of large markets are as follows:22 businesses or 51% of reported businesses attained or surpassed the median gross window and patio door unit sales for the large market.

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

Metro Market Franchisee Businesses —2023 Results

24 metro market businesses had total gross window and patio door unit sales reported for a single market for 20232024. The total gross window and patio door unit sales for these metro market businesses were 261,792248,926, ranging from a low of 1,3551,167 to a high of 61,90959,102. Average gross window and patio door unit sales for the metro markets were 10,90810,372. Median sales for the metro markets were 4,8904,960. 7 businesses or 29% of reported businesses attained or surpassed the average gross window and patio door unit sales for the metro market. A breakdown of metro markets are as follows:12 businesses or 50% of

reported businesses attained or surpassed the median gross window and patio door unit sales for the metro market.

Metro Gross Window and Patio Door Unit Sales	Number of Franchisees Falling Within Stated Range	Number of Franchisees Exceeding Stated Range	Metro Market Total
1,000—1,999	3	21	3
2,000—2,999	5	16	8
3,000—3,999	1	15	9
4,000—4,999	4	11	13
5,000—5,999	1	10	14
6,000—8,999	0	10	14
9,000—9,999	2	8	16
10,000—10,999	1	7	17
11,000—11,999	0	7	17
12,000—12,999	3	4	20
13,000—19,999	0	4	20
20,000—20,999	1	3	21
21,000—22,999	0	3	21
23,000—23,999	1	2	22
24,000—44,999	0	2	22
45,000—45,999	1	1	23
46,000—60,999	0	1	23
61,000—61,999	1	0	24

Combined Market Franchisee Businesses —2023 Results

4 franchises had total gross window unit and patio door sales reported as combined markets for 20232024. These 4 franchises are owned by ~~2 franchisees~~1 franchisee. The total gross window unit and patio door sales for these combined markets were ~~63,511~~57,408, ranging from a low of ~~20,218~~18,575 to a high of ~~43,293~~38,833. Average ~~and median~~ gross window unit and patio door sales for the combined markets were 31,756. ~~1 of 2 franchisees~~14,352. Median gross window unit and patio door sales for the combined markets were 9,288. ~~1 of 2 franchises~~ reporting their markets as combined markets (or 50%), attained or surpassed the average gross window unit and patio door sales for the combined markets. ~~A breakdown of 1 of 2 franchisees reporting their markets as combined markets are as follows:~~(or 50%), attained or surpassed the median gross window unit and patio door sales for the combined markets.

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

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

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

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

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Legal Department, 118 Shaver Street, North Wilkesboro, North Carolina 28659, (336) 667-2100, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
SYSTEMWIDE OUTLET SUMMARY
For Years ~~2021, 2022, and 2023, and 2024~~

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021 <u>2022</u>	203 <u>207</u>	207 <u>211</u>	+4
	2022 <u>2023</u>	207 <u>211</u>	210	+3 <u>-1</u>
	2023 <u>2024</u>	210	210 <u>209</u>	0 <u>-1</u>

Company-Owned	2021 <u>2022</u>	0	0	0
	2022 <u>2023</u>	0	0	0
	2023 <u>2024</u>	0	0 <u>2</u>	0 <u>+2</u>
Total Outlets	2021 <u>2022</u>	203 <u>207</u>	207 <u>211</u>	+4
	2022 <u>2023</u>	207 <u>211</u>	210	+3 <u>- 4</u>
	2023 <u>2024</u>	210	210 <u>211</u>	0 <u>+1</u>

Table No. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
For Years ~~2021~~, ~~2022~~, ~~and 2023~~, and 2024

State	Year	Number of Transfers
Delaware	2021	1
<u>Arkansas</u>	2022	0
	2023	0
Florida	2021-2024	1 <u>1</u>
<u>Florida</u>	2022	2 <u>2</u>
	2023 <u>2023</u>	1
Kentucky	2021-2024	0 <u>1</u>
<u>Indiana</u>	2022	2 <u>0</u>
	2023 <u>2023</u>	0
Maryland	2021 <u>2024</u>	1
	2022	0
<u>Kentucky</u>	2023 <u>2022</u>	1 <u>2</u>
North Carolina	2021 <u>2022</u>	0
	2022 <u>2023</u> <u>2024</u>	1 <u>0</u>
Oklahoma	2021	0
<u>Maryland</u>	2022	0
	2023 <u>2022</u>	0
Pennsylvania	2021-2023	1 <u>1</u>
	2022-2024	0 <u>0</u>
<u>New York</u>	2022	0
	2023	0
South Dakota	2021-2024	1 <u>5</u>
<u>North Carolina</u>	2022	0 <u>1</u>

State	Year	Number of Transfers
	2023 2023	0 0
Tennessee	2021 2024	0
<u>Tennessee</u>	2022	0
	2023	1
Texas	2021 2024	1 0
<u>Texas</u>	2022	0
	2023 2023	1 1
Wisconsin	2021 2024	0 0
<u>Wisconsin</u>	2022	1 1
	2023 2023	2
	2024	0
Total	2021 2022	6
	2022 2023	6
	2023 2024	6 8

Table No. 3
STATUS OF FRANCHISED OUTLETS
For Years ~~2021~~, ~~2022~~, and ~~2023~~, and 2024

State	Year	Outlets At Start Of Year	Outlets Opened	Termin- ations	Non- Renewals	Reacquired By Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
Alabama	2021 <u>2022</u>	6	0	0	0	0	0	6
	2022 <u>2023</u>	6	0	0	0	0	0	6
	2023 <u>2024</u>	6	0	0	0	0	0	6
Arizona	2021 <u>2022</u>	4	0	0	0	0	0	4
	2022 <u>2023</u>	4	0	0	0	0	0	4
	2023 <u>2024</u>	4	0	0	0	0	0	4
Arkansas	2021 <u>2022</u>	3	0	0	0	0	0	3
	2022 <u>2023</u>	3	0	0	0	0	0	3
	2023 <u>2024</u>	3	0	0	0	0	0	3
California	2021	6	4	0	0	0	0	7
<u>California</u>	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Colorado	2021 <u>2024</u>	27	0	0	0	0	0	27
<u>Colorado</u>	2022	2	0 <u>1</u>	0	0	0	0	13
	2023	23	4 <u>0</u>	0	0	0	0	3
Connecticut	2021 <u>2024</u>	13	0	0	0	0	0	13
<u>Connecticut</u>	2022	1	0	0	0	0	0	1

State	Year	Outlets At Start Of Year	Outlets Opened	Termin- ations	Non- Renewals	Reacquired By Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
	2023	1	0	0	0	0	0	1
Delaware	2021 <u>20</u> <u>24</u>	21	0	0	0	0	0	21
<u>Delaware</u>	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Florida	2021 <u>20</u> <u>24</u>	13 <u>2</u>	0	0	0	0	0	13 <u>2</u>
<u>Florida</u>	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	0	13
Georgia	2021 <u>20</u> <u>24</u>	8 <u>13</u>	0	0 <u>1</u>	0	0	0	8 <u>12</u>
<u>Georgia</u>	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
Hawaii	2021 <u>20</u> <u>24</u>	1 <u>8</u>	0	0	0	0	0	1 <u>8</u>
<u>Hawaii</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Idaho	2021 <u>20</u> <u>24</u>	2 <u>1</u>	0	0	0	0	0	2 <u>1</u>
<u>Idaho</u>	2022	2	0	0	0	0	1	1
	2023	1	0	0	0	0	0	1
Illinois	2021 <u>20</u> <u>24</u>	6 <u>1</u>	0 <u>1</u>	0	0	0	0	6 <u>2</u>
<u>Illinois</u>	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Indiana	2021 <u>20</u> <u>24</u>	9 <u>6</u>	0	0	0	0	0	9 <u>6</u>
<u>Indiana</u>	2022	9	0	0	0	0	0	9

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
	2023	9	0	0	0	0	0	9
Iowa	2021 <u>20</u> <u>24</u>	49 <u>49</u>	0	0	0	0	0	49 <u>49</u>
<u>Iowa</u>	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Kansas	2021 <u>20</u> <u>24</u>	14 <u>14</u>	0	0	0	0	0	14 <u>14</u>
<u>Kansas</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Kentucky	2021 <u>20</u> <u>24</u>	81 <u>81</u>	10 <u>10</u>	0	0	0	0	91 <u>91</u>
<u>Kentucky</u>	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
Louisiana	2021 <u>20</u> <u>24</u>	59 <u>59</u>	0	0	0	0	0	59 <u>59</u>
<u>Louisiana</u>	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Maine	2021 <u>20</u> <u>24</u>	16 <u>16</u>	0	0	0	0	0	16 <u>16</u>
<u>Maine</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Maryland	2021 <u>20</u> <u>24</u>	31 <u>31</u>	0	0	0	0	0	31 <u>31</u>
<u>Maryland</u>	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Massachusetts	2021 <u>20</u> <u>24</u>	23 <u>23</u>	0	0	0	0	0	23 <u>23</u>
<u>Massachusetts</u>	2022	2	0	0	0	0	0	2

State	Year	Outlets At Start Of Year	Outlets Opened	Termin- ations	Non- Renewals	Reacquired By Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
	2023	2	0	0	0	0	0	2
Michigan	2021 <u>20</u> <u>24</u>	42 <u>42</u>	0	10 <u>10</u>	0	0	0	32 <u>32</u>
Michigan	2022	3	2	0	0	0	0	5
	2023	5	0	0 <u>1</u>	0	0	10 <u>10</u>	4
Minnesota	2021 <u>20</u> <u>24</u>	24 <u>24</u>	0	0	0	0	0	24 <u>24</u>
Minnesota	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Mississippi	2021 <u>20</u> <u>24</u>	2	10 <u>10</u>	0	0	0	0	32 <u>32</u>
Mississippi	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Missouri	2021 <u>20</u> <u>24</u>	53 <u>53</u>	0	0	0	0	0	53 <u>53</u>
Missouri	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Nebraska	2021 <u>20</u> <u>24</u>	5	0	0	0	0	0	5
Nebraska	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Nevada	2021 <u>20</u> <u>24</u>	25 <u>25</u>	0	0	0	0	0	25 <u>25</u>
Nevada	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New Hampshire	2021 <u>20</u> <u>24</u>	12 <u>12</u>	0	0	0	0	0	12 <u>12</u>
New	2022	1	0	0	0	0	0	1

State	Year	Outlets At Start Of Year	Outlets Opened	Termin- ations	Non- Renewals	Reacquired By Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
<u>Hampshire</u>	2023	1	0	0	0	0	0	1
New Jersey	2021 <u>20</u> <u>24</u>	21 <u>21</u>	40 <u>40</u>	0	0	0	0	31 <u>31</u>
<u>New Jersey</u>	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
New Mexico	2021 <u>20</u> <u>24</u>	14 <u>14</u>	40 <u>40</u>	0	0	0	0	24 <u>24</u>
<u>New Mexico</u>	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New York	2021 <u>20</u> <u>24</u>	92 <u>92</u>	0	0	0	01 <u>01</u>	0	91 <u>91</u>
<u>New York</u>	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
North Carolina	2021 <u>20</u> <u>24</u>	109 <u>109</u>	0	0	0	0	0	109 <u>109</u>
<u>North Carolina</u>	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	0	10
North Dakota	2021 <u>20</u> <u>24</u>	410 <u>410</u>	0	0	0	0	0	410 <u>410</u>
<u>North Dakota</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Ohio	2021 <u>20</u> <u>24</u>	61 <u>61</u>	40 <u>40</u>	0	0	0	0	71 <u>71</u>
<u>Ohio</u>	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
<u>Oklahoma</u>	2021 <u>20</u> <u>24</u>	27 <u>27</u>	0	0	0	0	0	27 <u>27</u>

State	Year	Outlets At Start Of Year	Outlets Opened	Termin- ations	Non- Renewals	Reacquired By Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
<u>Oklahoma</u>	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Oregon	2021	1	0	1	0	0	0	0
	202220 24	02	0	0	0	0	0	02
<u>Pennsylvania</u>	202320 22	013	0	0	0	0	0	013
Pennsylvania	202120 23	13	0	0	0	0	0	13
	202220 24	13	0	0	0	0	0	13
	2023	13	0	0	0	0	0	13
Rhode Island	202120 22	1	0	0	0	0	0	1
	202220 23	1	0	0	0	0	0	1
	202320 24	1	0	0	0	0	0	1
South Carolina	202120 22	4	0	0	0	0	0	4
	202220 23	4	0	0	0	0	0	4
	202320 24	4	0	0	0	0	0	4
South Dakota	202120 22	1	0	0	0	0	0	1
	202220 23	1	0	0	0	0	0	1
	202320 24	1	0	0	0	0	0	1
Tennessee	202120 22	8	0	0	0	0	0	8
	202220 23	8	0	0	0	0	0	8
	202320 24	8	0	0	0	0	0	8
	2021	13	1	1	0	0	0	13

State	Year	Outlets At Start Of Year	Outlets Opened	Termin- ations	Non- Renewals	Reacquired By Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
Texas								
<u>Texas</u>	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	0	13
Utah	2021 <u>20</u> <u>24</u>	1 <u>13</u>	0 <u>1</u>	0	0	0 <u>1</u>	0	1 <u>13</u>
<u>Utah</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Vermont	2021 <u>20</u> <u>24</u>	1	0	0	0	0	0	1
<u>Vermont</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Virginia	2021 <u>20</u> <u>24</u>	8 <u>1</u>	0	0	0	0	0	8 <u>1</u>
<u>Virginia</u>	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
Washington	2021 <u>20</u> <u>24</u>	1 <u>8</u>	0	0	0	0	0	1 <u>8</u>
<u>Washington</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
West Virginia	2021 <u>20</u> <u>24</u>	5 <u>1</u>	0	0	0	0	0	5 <u>1</u>
<u>West Virginia</u>	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Wisconsin	2021 <u>20</u> <u>24</u>	7 <u>5</u>	0	0	0	0	0	7 <u>5</u>
<u>Wisconsin</u>	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
TOTAL	2021 <u>2024</u>	203 <u>7</u>	7 <u>0</u>	3 <u>0</u>	0	0	0	207 <u>7</u>
TOTAL	2022	207	<u>45</u>	0	0	0	1	210 <u>211</u>
	2023	210 <u>211</u>	<u>10</u>	<u>0</u>	0	0	<u>10</u>	210
	2024	<u>210</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>209</u>

Table No. 4
STATUS OF COMPANY-OWNED OUTLETS
For Years ~~2021~~, 2022, and 2023, and 2024

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
All States <u>New Mexico</u>	2021 <u>2022</u>	0	0	0	0	0	0
	2022 <u>2023</u>	0	0	0	0	0	0
	2024	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Texas</u>	2023 <u>2022</u>	0	0	0	0	0	0
Totals	2021 <u>2023</u>	0	0	0	0	0	0
	2024	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Totals	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	2	0	0	0	2

Table No. 5
PROJECTED OPENINGS AS OF DECEMBER 31, ~~2023~~2024
For the year ~~2024~~2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
California	1 <u>0</u>	<u>0</u>	0
Idaho	0	1	0
Montana	0	1	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
North Dakota	0	1	0
Oregon	0	1	0
Texas	0	1	0
Washington	0	1	0
Total	<u>10</u>	<u>67</u>	0

Among the attached Exhibits you will find:

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

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

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

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

ITEM 21: FINANCIAL STATEMENTS

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

ITEM 22: CONTRACTS

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

1. Window World Franchise Agreement With.....Exhibit A
 - a. Lease Rider.....Attachment 1
 - b. Communications Consent.....Attachment 2
 - c. Limited Personal Guaranty.....Attachment 3

d.	Internet, Social Media and Telephone Assignment	Attachment 4
e.	Nondisclosure and Noncompetition Agreement	Attachment 5
f.	Nondisclosure and Non-Solicitation Agreement	Attachment 6
g.	<u>ACH/EFT Transfer Agreement and Credit Card</u>	
	<u>Authorization</u>	<u>Attachment 7</u>
2.	Prospective Franchisee Confidentiality Agreement	Exhibit F
3.	800 Response Agreement	Exhibit G
4.	Master Services Agreement	Exhibit H
a.	CRM Subscription Agreement	Exhibit 2A
b.	Web Design and Management Agreement	Exhibit 2B
c.	Window World Owner's Portal Agreement	Exhibit 2C
d.	ACH/EFT Transfer Agreement and Credit Card Authorization	Exhibit 2D
e.	Premium Services Amendment	Exhibit 2E
5.	Non-Operating Owner Amendment	Exhibit I
6.	Agreement and Conditional Consent to Transfer	Exhibit J
7.	Full and Final General Release	Exhibit K
8.	First Addendum to Renewal Franchise Agreement	Exhibit L
9.	Roofing Addendum	Exhibit M
10.	<u>Form of Franchise Compliance Certification</u>	<u>Exhibit N</u>

ITEM 23: RECEIPT

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

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Attachment 1 – Lease Rider

Attachment 2 – Communications Consent

Attachment 3 – Limited Personal Guaranty

Attachment 4 – Internet, Social Media, and Telephone Assignment

Attachment 5 – Nondisclosure and Noncompetition Agreement

Attachment 6 – Nondisclosure and Non-Solicitation Agreement

**WINDOW WORLD, INC.
FRANCHISE AGREEMENT**

SUMMARY PAGES

Effective Date: _____

Franchisor: WINDOW WORLD, INC., a North Carolina corporation
Address for Notice: Registered Agent
WINDOW WORLD, INC.
~~Corporation Service Company~~ Paracorp Incorporated
~~2626 Glenwood Avenue, Suite 550~~
176 Mine Lake Ct #100
Raleigh, NC 2760827615
and
Legal Department
WINDOW WORLD, INC.
118 Shaver Street
N. Wilkesboro, NC 28659
Telephone Number: (336) 667-2100
Email: legal@WindowWorld.com

Franchisee: _____

Type of Entity: ☐ Corporation
☐ LLC

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

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

Email to use for Notice: _____
Telephone: _____
Mobile Telephone: _____

FRANCHISEE'S OWNERS

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

NAME	OWNERSHIP INTEREST IN FRANCHISEE	TYPE OF OWNER <u>Owner</u> / <u>Operating</u> / <u>Non-Operating</u>

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

Name	Home Address	Cell Phone Number	Personal Email Address

Type of Agreement
Territory:

☐ Initial

☐ Renewal

☐ Modification

Initial Minimum MSI

Minimum Entry Door
Purchase Per Calendar
Year

☐ Small Market: \$25,000.00

☐ Medium Market: \$35,000.00

☐ Large Market: \$45,000.00

☐ Metro Market: \$60,000.00

Headquarters Address:

Opening Date:

Initial Franchise Fee: \$

Initial Equipment Fee: \$

Designated Contact:

Designated Contact

Information:

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

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

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

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

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

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

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

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

(g) **Ancillary Agreements.** Franchisee and each ~~owner~~Owner, as applicable, agrees to execute the following ancillary agreements, the terms of which are incorporated into this Agreement by reference: (i) each shareholder or member of Franchisee’s business entity with five percent (5%) interest or more, and each such person’s respective spouse, shall enter into the form of Limited Personal Guaranty attached hereto as Attachment 3; (ii) Franchisee shall enter into that form of Lease Rider which is attached hereto as Attachment 1, unless otherwise approved by Franchisor; (iii) Each Franchisee (~~including each owner~~) shall enter into that form of Communications Consent attached hereto as Attachment 2; (iv) Franchisee shall enter into that form of Internet, Social Media, and Telephone Assignment attached hereto as Attachment 4; (v) the Operations Manager, as applicable, and each spouse of an ~~owner~~Owner shall sign the forms of confidentiality, non-competition, and non-solicitation agreements attached hereto as Attachment 5 and Attachment 6; ~~and~~ (vi) Franchisee shall enter into Franchisor’s affiliate’s then-current form of master services agreement and any related agreements for technology services, and (vii) the ACH/EFT transfer agreement attached hereto as Attachment 7. This list of ancillary agreements is not exhaustive, and Franchisor may provide other agreements from time to time.

2. Term, Expiration, and Additional License Period.

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

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

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

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

(iii) **~~Debts~~ ~~Current~~ Financial Obligations.** All debts and obligations of Franchisee under this Agreement ~~and~~ under any agreements with approved or required vendors ~~Franchisor's affiliates~~ shall be current. Franchisee shall have no undisputed approved vendor debt over sixty (60) days past due. Franchisee's debt ratio is less than thirty percent (30%), meaning that Franchisee's total debts are less than thirty percent (30%) of its total assets, both at the time Franchisee gives notice of its intent to exercise its rights under the terms of this Section 2(b) and at the commencement of the Renewal Term. Franchisee's current ratio is greater than or equal to one (1.0), meaning that Franchisee's current assets divided by its current liabilities are a value greater than or equal to one (1.0), both at the time Franchisee gives notice of its intent to exercise its rights under the terms of this Section 2(b) and at the commencement of the Renewal Term. Franchisee's prior annual reviewed financial statements as prepared by an independent certified public accountant and submitted to Franchisor do not contain any substantial doubt by the accountant of Franchisee's ability to continue as a going concern.

(iv) **Notice of Default.** Franchisee has not received more than ~~threetwo (32)~~ notices of default during ~~any consecutive eighteen~~ the twenty-four (24) month period ~~during~~ prior to the expiration of the Initial Term.

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

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

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

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

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

(x) **Minimum Gross Unit Sales Volume – Renewal.** ~~Gross unit sales volume of windows for the two (2) years immediately~~ **MSI Requirements.** ~~As of a date that is three (3) months prior to the expiration of the Initial Term have been at least as high as those collected by~~ “Lookback Date”). Franchisee has attained or exceeded the Minimum MSI for Franchisee's market size in the two (2), twelve (12) month periods immediately preceding the Lookback Date. Franchisee has attained or exceeded the twenty-fifth (25th) percentile of Franchisor's franchisees in the same market category during the same time period for Minimum MSI for Franchisee's market size in the two (2), twelve (12) month periods immediately preceding the Lookback Date.

(xi) **Consumer Rating.** The online consumer ratings for the Franchised Business are at least 4.0 on a 5.0 scale, or substantially similar on a future scale, both at the time Franchisee gives notice of its intent to exercise its rights under the terms of this Section 2(b) and at the commencement of the Renewal Term.

(xii) **Fully Implement Computer Systems.** Franchisee must have Fully Implemented any Computer Systems that Franchisor may require. The definition of “Fully Implement” may be changed by Franchisor from time to time in the Manual.

Currently, “Fully Implement” means that Franchisee enters complete and correct data into Franchisor’s proprietary customer relationship management system and actively uses its six core functions: budgeting, advertising costs, product list developed, resulting appointments, production pipeline, and service pipeline.

(xiii) **Branding.** Franchisee is in full compliance with all current branding requirements of the Manual.

(xiv) **Other Conditions.** Franchisee has satisfied any other then-current requirements for renewal that Franchisor may have established in the Manuals.

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

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

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

(ii) If, at the time Franchisee gives its renewal notice to Franchisor, the number of owner-occupied homes (which shall be measured with data Franchisor, in its sole discretion, deems reliable) for the Territory has increase by more than one million (1,000,000) homes compared to the population of the Territory as of the Effective Date, Franchisor has the right to require Franchisee to establish one or more Satellites within the Territory as a condition for renewal. Instead of establishing a Satellite, Franchisee may elect to relinquish a portion of the Territory. If elected, the reduced Territory shall be the territory included in the Renewal Agreement.

(e) Continued Operation Following Expiration. Unless Franchisee qualifies for renewal and exercises its option to renew the License granted under this Agreement in accordance with this Section 2(b), Franchisee has no right to continue to operate the Franchised Business after the expiration date. If Franchisor permits Franchisee to continue to operate the Franchised Business after the expiration date, but before the execution by Franchisee of the

Renewal Franchise Agreement as required by Section 2(b), then the temporary continuation of the operations of the Franchised Business will be structured on a month-to-month extension of this Agreement and all of its terms, and will be terminable at Franchisor's will by giving Franchisee written notice of expiration at least thirty (30) days before the expiration is effective. If Franchisor allows Franchisee to continue to operate the Franchised Business on a month-to-month continuation of the Franchised Business and associated extension of this Agreement and all of its terms after expiration of this Agreement for any reason, then Franchisee must pay to Franchisor an additional fee equal to Two Hundred Fifty Dollars (\$250) per week of month-to-month operation after the expiration date, up to Franchisor's then-current initial franchise fee, which fee shall be in addition to any other payments owed or due to Franchisor under this Agreement. If applicable law requires a longer notice period, the thirty (30)-day period will be deemed modified to be the shortest notice period required by such laws.

(f) **Notice.** If applicable law requires that Franchisor gives notice of expiration or non-renewal to Franchisee prior to the expiration of the Initial Term or any Renewal Term, this Agreement shall be deemed to remain in effect on a month-to-month basis until Franchisor has given to Franchisee that notice of expiration or non-renewal so required and the applicable period required to pass before the notice becomes effective shall have expired.

3. Franchise Fees and Payments.

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

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

(ii) ~~(ii)~~ Royalties.

(A) In further consideration of the grant of the License to Franchisee and Franchisee's rights to use the Marks and the System, Franchisee agrees to pay to Franchisor royalties ("Royalties").

(B) The Royalties shall be collected by Franchisor as part of the payment Franchisee makes for products purchased from ~~required~~approved vendors. Franchisee understands and agrees Franchisor will receive Royalties collected by the ~~required~~approved vendor as part of the invoiced price of the products purchased from the ~~required~~approved vendor. The Royalties shall also be consideration paid by ~~required~~approved vendors for services Franchisor performs for vendors and for Franchisor's licensing of certain intellectual property to the ~~required~~approved

vendors. Franchisee agrees such payments and Royalties are reasonable. Franchisee agrees all Royalties received by Franchisor are Franchisor's exclusive property and Franchisor has no obligation to spend any portion of the Royalties on Franchisee's individual behalf. Nothing in ~~this subsection~~ these subsections creates a fiduciary relationship between Franchisor and Franchisee.

(C) Franchisor has the right to change (including increasing) the amount of Royalties or, in the case of new products and services sold by the Franchised Business, establish new Royalties.

(D) Franchisee acknowledges the Royalty associated with the products of one or more vendors, may be a percentage of the price Franchisee pays to the vendor for products. The percentage of price paid by Franchisee for the products of a vendor as a Royalty shall be the same percentage of price paid by other WINDOW WORLD franchisees for the same products from the same vendor. Vendors may establish the prices for their products and such prices may vary based upon numerous factors in the vendors' discretion. The dollar amount collected by Franchisor as a Royalty on products may vary across the Network due to vendor pricing differences.

(E) Nothing herein shall limit Franchisor's discretion to establish and modify its approved vendors and product lists, and nothing herein shall limit any vendor's discretion to change its pricing in accordance with the terms of vendor's agreement with Franchisor. Franchisor has no obligation to obtain a certain level of pricing for Franchisee for products. The foregoing acknowledgements and agreements apply not only to the vendors and products Franchisor makes available to Franchisee as of the Effective Date but also to those in the future.

(F) Franchisor has the sole discretion, upon ninety (90) days' notice to Franchisee, to begin collecting the Royalties on products sold by one or more approved vendors directly from Franchisee on a monthly basis, rather than by receiving payments from one or more approved vendors. For the avoidance of doubt, if implemented, Franchisor may collect Royalties on products sold by certain approved vendors from those approved vendors while simultaneously collecting Royalties on products sold by other approved vendors directly from Franchisee. To facilitate this collection, Franchisee shall do the following, each by the deadlines established by Franchisor from time to time:

- 1) Prepare and submit to Franchisor a monthly report in the form designated by Franchisor showing the Royalties due to be paid directly by Franchisee. This report shall include Franchisee's purchases of products which are made from the approved vendors that Franchisor has designated for Franchisee's direct payment of Royalties. Franchisor also has the option of obtaining the report directly from Franchisee's Computer Systems.

- 2) Allow Franchisor to collect from Franchisee's bank operating account ("Account") the Royalties by EFT. Franchisee shall: (a) comply with procedures specified by Franchisor in the Manuals; (b) perform those acts and sign and deliver those documents as may be necessary to accomplish payment by EFT; (c) give Franchisor an authorization in the form designated by Franchisor to initiate debit entries and/or credit correction entries to the Account for payments of the Royalty; (d) make sufficient funds available in the Account for withdrawal by EFT no later than the due date for payment thereof; and (e) maintain a single bank account to make all payments required by this Agreement. Franchisee must advise Franchisor at least fifteen (15) business days prior to any change in the Account or Franchisee's financial institution; no such change will be permitted without the prior written authorization of Franchisor. To ensure the orderly electronic transfer of the Royalties, Franchisee will enter into and maintain a banking agreement with the financial institution which will be responsible for the transfer and payment of the fees owed by Franchisee to Franchisor, and a copy of that agreement will be submitted to Franchisor within thirty (30) days of Franchisor's request.
- 3) If Franchisee has not provided its purchase report to Franchisor for any month, Franchisor may transfer from the Account an amount calculated in accordance with Franchisor's estimate of the purchases during the applicable month. If, at any time, Franchisor determines that Franchisee has underreported its purchases, or underpaid the Royalty, Franchisor may initiate an immediate transfer from the Account in the appropriate amount in accordance with the foregoing procedure, including interest as provided in this Agreement. Any overpayment will be credited to the Account effective as of the first reporting date after Franchisor and Franchisee determine that such credit is due.

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

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

(iv) Fines and Other Fees.

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

(B) ~~Additionally, for~~ For each instance where Franchisee has sales in the territory of another franchisee, Franchisor shall, at Franchisor's option, have the right to levy a fine of up to ~~Fifteen Percent (15%)~~ fifty percent (50%) of the customer contract value that was offered, solicited, or sold in the other franchisee's territory ~~plus an amount of up to Ten Thousand Dollars (\$10,000)~~ on a per determination of infringement basis. For each instance where Franchisee solicits or offers in the territory of another franchisee, Franchisor shall, at Franchisor's option, have the right to levy a fine of up to ~~Ten~~ Two Thousand Five Hundred Dollars (\$2,500) on a per determination of infringement basis. In evaluating Franchisee's violations under this subsection, Franchisor may look back for a rolling period of two (2) years. Within thirty (30) days notice from Franchisor, Franchisee shall pay the fine to the other Window World business(es) affected by the infringement. If Franchisee does not timely pay the fine, Franchisor may collect the fine, plus a fee of five percent (5%) of the fine, directly from Franchisee by, at Franchisor's election, charging a credit card Franchisee has on file with Franchisor or by withdrawing the fine by EFT.

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

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

(vi) Re-Inspection or Rescheduled Inspection Costs. Franchisee agrees to promptly reimburse Franchisor for all costs Franchisor incurs in ~~(4A)~~ conducting one or more follow up inspections of the Franchised Business if Franchisee fails an inspection

(defined as failing to achieve a passing score determined by Franchisor, which may be established in the Manuals) and (2B) rescheduling an inspection if Franchisee reschedules the inspection after the date(s) have been established by Franchisor.

(vii) **Domain Name.** If Franchisor spends more than Fifty Dollars (\$50) per year to renew one or more domain names for the Franchised Business, Franchisee shall reimburse Franchisor upon request for any of Franchisor's costs that exceed Fifty Dollars (\$50).

(b) Method of Payment. Unless prepaid annually or otherwise specified in this Agreement, all payments due to Franchisor or an affiliate of Franchisor must be submitted to Franchisor or its affiliates by the day of the month and in the manner Franchisor or its affiliates specify. Franchisor and its affiliates have the right to require Franchisee to pay the required fees by electronic funds transfer ("EFT") or by credit card, and Franchisee must sign all forms Franchisor, or its affiliates require to authorize such charges or transfers. If required by Franchisor, Franchisee shall at all times keep on file with Franchisor an active credit card with a credit limit of at least six (6) months of the then-current Technology Fees or Five Thousand Dollars (\$5,000), whichever is greater. If Franchisee pays Franchisor or its affiliates by EFT, Franchisee must maintain a balance in its designated account sufficient to allow Franchisor and its affiliates to collect the amounts owed when due. Franchisee is responsible for any penalties, fines, or other similar expenses associated with the transfer of funds described in this subsection. If Franchisee elects to prepay the Technology Fee on or before January 1st of each year, Franchisee may remit payment by EFT, credit card, or check.

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

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

4. Franchisor Services.

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

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

(ii) Specifications and Approved Vendors. To the extent Franchisor has specifications for approved vendors or required vendors, Franchisor shall provide

Franchisee with such specifications and/or a list of required or approved vendors for any required or recommended product or service to be used in connection with the Franchised Business; provided that Franchisor reserves the right to amend and/or modify such specifications or vendor lists at any time.

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

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

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

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

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

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

agrees that such legal expenses are in addition to Franchisee's obligations to indemnify the Franchisor Indemnified Parties.

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

5. Territorial Provisions.

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

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

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

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

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

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

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

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

for the Franchised Business or for any other purpose. Franchisor's acceptance of a Premises indicates only that Franchisor believes each Premises complies with minimum criteria established by Franchisor solely for Franchisor's purposes as of the time of the evaluation. Both Franchisee and Franchisor acknowledge that application of criteria that may have been effective with respect to other locations may not be predictive of potential for all locations and premises and that, subsequent to Franchisor's acceptance of a location, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from Franchisor's criteria could change, thereby altering the potential of a location. Such factors are unpredictable and are beyond Franchisor's control. Franchisor shall not be responsible for the failure of a Premises accepted by Franchisee to meet Franchisee's expectations as to revenue or operational criteria. Franchisee further acknowledges and agrees that selection of a Premises is based on its own independent investigation of the suitability of each Premises.

(c) Lease of each Premises. Unless Franchisee otherwise receives Franchisor's approval, Franchisee must lease each Premises. Franchisee shall submit to Franchisor executed copies of all such leases immediately after execution and at such other times as Franchisor may request. All leases pertaining to any Premises shall also include an Addendum in the form of Attachment 1 attached hereto or shall contain terms and conditions substantially similar to those contained in Attachment 1 which Franchisor has approved in writing ("Lease Rider"). The Lease Rider must be executed within ninety (90) days of the lease execution. Franchisor is not obligated to offer assistance to Franchisee in negotiating an acceptable lease agreement for any Premises. Franchisor shall not represent Franchisee in a legal capacity and advises Franchisee to seek independent legal counsel in the review and negotiation of its lease agreement(s). Under the following conditions, Franchisee may lease a Premises from an ~~owner~~Owner, manager, director, officer, or employee of Franchisee or another person or party related to or affiliated with Franchisee (collectively and individually, the "Related Party"): (i) the Related Party must own the Premises in an entity that is separate from any Franchisee entity, (ii) Franchisee enters into a written lease with the Related Party and deliver a copy to Franchisor, and (iii) the Related Party and Franchisee enter into the Lease Rider within ninety (90) days of the lease execution.

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

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

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

(h) Customer and Other Data. Franchisee shall maintain a data set of the names, sales and service history, measurements for products that are ordered and/or installed for customers, customer contracts, home addresses, email addresses, and telephone numbers of the customers and past customers who have provided such information to the Franchised Business, as well as documentation about permissions or consent the customers may have granted Franchisee, the Franchised Business, Franchisor, or a vendor ("Customer List"). Franchisee shall

not collect, use, process, store, share, or sell any information from the Customer List to or with any person or entity other than Franchisor without the express written consent of Franchisor. Franchisee shall not delete any information that is in the Customer List without Franchisor's prior written consent or unless doing so is in accordance with the Data Protection and Security Policies. Likewise, other data collected by Franchisee or Franchisee's Computer Systems in connection with the Franchised Business (Customer List and the other data collectively referred to herein as "Franchised Business Data") is deemed to be owned by Franchisor and Franchisor shall have the right to use the Franchised Business Data for any purposes, in Franchisor's sole discretion. Franchisee agrees to furnish the Franchised Business Data to Franchisor at any time that Franchisor requests it. Franchisee shall also use the Computer Systems that Franchisor designates to create, store, maintain, and share the Franchised Business Data. Franchisor hereby grants Franchisee a limited license to use Franchised Business Data during the Initial Term and any Renewal Term, but only in accordance with the standards, specifications, procedures, and policies that Franchisor establishes periodically and applicable laws, ordinances, orders, rules, and regulations. Upon termination, non-renewal, transfer, or expiration of this Agreement for any reason, Franchisor shall be the exclusive owner of Franchised Business Data and Franchisee shall not collect, sell, disclose, share, transfer, or use the Franchised Business Data in any form or manner. Franchisee shall not be due any compensation based upon Franchisor's use of the Franchised Business Data. Franchisee may not collect, sell, disclose, share, transfer, or use Franchised Business Data for any purpose other than operating the Franchised Business by offering and selling WINDOW WORLD products and services. The Customer List and Franchised Business Data are expressly subject to the provisions of Section 9(k) and may constitute Personal Information.

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

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

(k) **Artificial Intelligence.** Franchisee's direct and indirect (such as through vendors) use of artificial intelligence ("AI") technology in connection with the Franchised Business must always comply with Franchisor's brand standards and policies, if available. For exemplary purposes only, use of AI technology includes AI-driven customer service, data analysis, image

generation, text generation, code generation, sound generation, and decision-making tools. If Franchisee uses AI technology, Franchisee and its vendors are strictly prohibited from uploading, inputting, disclosing, or otherwise sharing any Confidential Information related to the Franchised Business—such as training materials, operational procedures, customer data, or other sensitive or proprietary business information—with any AI technology, just as Franchisee is prohibited from sharing such information on the internet or other public platforms. Franchisor reserves the right, at its sole discretion, to establish limitations, require approvals, or prohibit the use of AI technology in the future. Any failure to comply with these restrictions will be considered a material violation of this Agreement.

8. Advertising.

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

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

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

(iii) Subject to Franchisor’s reserved rights, Franchisor shall make contributions to each Cooperative of which it is a member through its operations of a store selling exterior remodeling products in a regional area on the same basis as required of comparable franchisees within the Network. Subject to Franchisor’s reserved rights, other franchisees that are comparable to Franchisee shall contribute to the Cooperative on the same basis as Franchisee.

(iv) No advertising programs or materials may be used by the Cooperative or furnished to its members, and no advertising or promotional activities may be conducted by the Cooperative, without the prior written approval of Franchisor. All such programs,

materials and planned activities shall be submitted to Franchisor for approval in accordance with the procedure set forth below.

(v) Each cooperative shall have the right to require its members to make contributions to the Cooperative in such amounts as are determined by the governing body of the Cooperative, provided that in no event shall Franchisee be required to contribute more than three percent (3%) of its annual gross ~~revenues~~sales to the Cooperative. Nevertheless, Franchisor has a right to approve and alter the contribution rates set by the members of the Cooperative in its discretion, subject to the three percent (3%) annual gross sales maximum. The Cooperative is responsible for determining its own voting procedures; however, each WINDOW WORLD business that is a member of the Cooperative is entitled to one vote.

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

(vii) ~~Notwithstanding the foregoing, Franchisor, in its sole discretion, may, upon written request of a franchisee stating reasons supporting such request, grant to any franchisee~~WINDOW WORLD business an exemption from the requirement of membership in a Cooperative. Such an exemption may be for any length of time and may apply to one (1) or more ~~Franchised Businesses owned by such franchisee. If an exemption is granted to a franchisee, such franchisee may be required to expend on local advertising the full amount that would otherwise be payable to the Cooperative. Franchisor, in its sole discretion, may also exempt one or more WINDOW WORLD businesses owned or controlled by Franchisor or its affiliates from the requirement of membership in a Cooperative for such periods as Franchisor deems appropriate~~by the exempted party.

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

(b) Minimum Local Advertising Amount. Franchisee shall spend a minimum of Thirty Thousand Dollars (\$30,000) on an initial, three (3) month local advertising campaign. Franchisee shall be required to spend at least seven percent (7%) of the gross ~~revenues~~sales of the Franchised Business from the immediately preceding calendar year on local advertising to

time by Franchisee. Franchisee shall not copy, disclose, duplicate, record or otherwise reproduce, in whole or in part, for whatever reason, the Manuals. Franchisor shall have the right to modify the policies, standards, specifications, and procedures of the Manuals at any time, which modifications shall be binding upon Franchisee. In the event Franchisee has a different version of the Manuals than those maintained at Franchisor's headquarters, Franchisor's headquarters copy shall govern. Franchisee acknowledges that the Manuals are designed to protect Franchisor's Marks, brand image, goodwill, standards, and systems, and not to control the day-to-day operation of the Franchised Business. The parties acknowledge and agree that nothing herein shall be interpreted to mean that Franchisor controls the daily operations of Franchisee.

(b) Compliance with Franchisor's Standards. Franchisee shall, and agrees to, operate the Franchised Business through strict adherence to Franchisor's mandatory standards, specifications, and policies as they now exist, and as they may from time to time be modified. Franchisee agrees it is responsible for any violations of such standards, specification and policies by Franchisee's affiliates, officers, directors, managers, employees, contractors, and agents. Franchisee must abide by all manufacturer requirements for the installation of any products in its, or its independent contractors', performance of any services. In providing the products and services of the Franchised Business, Franchisee must not use and distribute materials and contracts unless such materials and contracts have been accepted by Franchisor. Unless otherwise permitted by Franchisor, Franchisee must use a contract accepted by Franchisor. Franchisee understands and agrees that Franchisor may modify the System and any of its components from time to time in its sole discretion. Franchisor shall give Franchisee notice of all changes either by supplements to the Manuals, in writing or electronically, or otherwise. Franchisee shall, at its own cost and expense, promptly adopt and use only those parts of the System specified by Franchisor and shall promptly discontinue the use of those parts of the System which Franchisor directs are to be discontinued. Franchisee shall not change, modify or alter the System in any way, except as Franchisor directs. Franchisee recognizes and agrees that changes and modifications that Franchisor may make to the System may necessitate that Franchisee make capital expenditures during the Initial Term in amounts that Franchisor cannot forecast. Nothing in this Agreement limits the frequency or cost of future changes to the System that Franchisor may require. Franchisee understands and agrees that Franchisor has no ability to identify with specificity the nature of these future general improvements or their expected cost and accepts the risk that future general improvements may be imposed that will require significant capital expenditures in an amount that is unknown on the Effective Date of this Agreement and that cannot be fully amortized over the period of time then remaining in the Initial Term.

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

and specifications throughout the Network, and that Franchisee shall not be entitled to require Franchisor to grant like or similar variations or privileges to Franchisee. Franchisee understands and agrees that Franchisor has no obligation to waive, make any exceptions to, or permit Franchisee to deviate from, the standards of the System.

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

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

(f) Warranty and Labor Programs. Franchisee shall participate in any warranty and labor programs Franchisor requires and shall pay all fees and costs associated therewith. If Franchisee is purchasing this Franchised Business pursuant to a transfer from another franchisee, then Franchisee must assume, at Franchisee's sole expense, all warranty and labor obligations

that were given to any customers by any prior franchisees, regardless of whether such customers are located inside or outside Franchisee's Territory. Unless otherwise designated in writing by Franchisor, as long as Franchisee or its affiliates have one or more active franchise agreement(s) with Franchisor, Franchisee or its affiliates shall be responsible for all warranty and labor obligations given to any of Franchisee's customers; provided, however, that if the area where the customer is located is incorporated into the territory of another franchisee, Franchisee shall no longer be responsible for the associated warranty and labor obligations. If any part of the Territory is relinquished or terminated and such relinquished or terminated area becomes a Gray Area, Franchisee or its affiliates shall continue to responsible for all warranty and labor obligations given to customers in that Gray Area for as long as that area remains a Gray Area and Franchisee or its affiliates have an active franchise agreement with Franchisor. If Franchisee or its affiliates are currently or will be in the future an owner of multiple WINDOW WORLD franchises and one or more of those franchises terminates, expires, or does not renew but Franchisee or its affiliates are still operating at least one active franchise, Franchisor has the right, in its sole discretion, to require Franchisee or its affiliates to continue to provide all service and warranty obligations for work that was performed by the terminated, expired, or non-renewed franchise until such territory has been sold to a new franchisee or until all of Franchisee's or its affiliates' franchises have ceased operating.

(g) Franchisee Control and Employee Matters.

(i) Franchisee Responsibility. Franchisee acknowledges that it is responsible for the day-to-day operation of its Franchised Business, including payroll, worker's compensation insurance, financial management, hiring, setting the conditions of employment, determining employee and independent contractor compensation, hours of work and scheduling, workplace health and safety, assignment, work rules and directions for the work performance, supervision, discipline and termination of all personnel, purchases and maintenance of equipment and supplies, preparing Franchisee's own advertising plans and funding and implementing those advertising plans, maintenance of employment records, and daily maintenance, safety, security and compliance with the Manuals. Franchisor's ability to approve certain matters, to inspect the Franchised Business and its operations and to enforce its rights, exists only to the extent necessary to protect its interest in the System and the Marks. Neither the retention nor the exercise of these rights is for the purpose of establishing any control, or the duty to take control, over those matters that are clearly reserved to Franchisee.

(ii) Training. It will be solely Franchisee's responsibility to ensure that all employees are trained to perform their duties in a proper manner at the Franchised Business. Franchisee shall implement and maintain an employee training program, at Franchisee's expense. Franchisee shall ensure that all employees have all necessary certifications, permits, licenses, and credentials as required by applicable laws, ordinances, orders, rules, and regulations necessary to work in the Franchised Business, including driver's licenses, and that all employees must satisfy all continuing educational training requirements as may be specified by applicable laws, ordinances, orders, rules, and regulations. Franchisee shall also ensure that any independent contractor Franchisee contracts with also has the required licenses and qualifications to perform the contracted

work for Franchisee. In the event that Franchisor provides training to Franchisee's employees upon Franchisee's request, Franchisee hereby releases, indemnifies, and holds harmless Franchisor Indemnified Parties from all claims, causes of action, expenses, costs, debts, fees, liabilities and damages of every kind arising out of or related to the training and/or the continuing education of Franchisee's employees as set forth herein. Franchisor reserves the right to assess a training fee or attendance fee for any conferences, conventions, or other training Franchisor or its approved vendors provide. Franchisor may mandate trainings and restrict non-owners from attending.

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

(h) Crisis Situations. Franchisee shall notify Franchisor immediately upon the occurrence of any situation that may have a material impact on Franchisee, Franchisor, the Franchised Business, or which could have a deleterious effect on the WINDOW WORLD brand, Marks or System ("Crisis"). Franchisee shall follow all of Franchisor's policies, procedures, and instructions in every such situation, including, without limitation, managing public relations and communications, as directed by Franchisor or as specified in the Manuals, whether or not Franchisee has retained outside counsel or a public relations firm to assist with such matters. Franchisor will have the right to take control of the management of public communications if Franchisor determines that the publicity surrounding the event is likely to have a material adverse effect on the reputation or goodwill of the Franchised Business, Marks, System, or Franchisor. Franchisee will obtain Franchisor's consent before any press releases, interviews or public statements are issued by Franchisee, or anyone on its behalf, about events that are likely to receive or are receiving significant negative public attention related to the Franchised Business, Marks, System, or Franchisor. A "Crisis" includes, but is not limited to, any event that occurs at, with, or about each Premises or customer location that has or may cause harm or injury to

customers or employees, car accidents, contagious diseases, natural disasters, terrorist acts, or shootings. Franchisee will cooperate fully with Franchisor with respect to Franchisor's response to the Crisis. In the event of the occurrence of a Crisis, Franchisor may establish emergency procedures which may require Franchisee to temporarily cease to operate the Franchised Business to provide services to customers, in which event Franchisor shall not be liable to Franchisee for any loss or costs, including consequential damages or lost profits occasioned thereby.

(i) Books and Records; Financial Reporting.

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

(ii) Submission of Financial Statements and Tax Returns. Unless Franchisor otherwise designates different dates or grants an exemption to Franchisee, in Franchisor's sole discretion, each year during the Initial Term, Franchisee shall submit to Franchisor (A) self-generated copies of a balance sheet and profit and loss statement for Franchisee's business entity (1) by the last business day of February of each calendar year for the prior calendar year and (2) by the last business day of August of each calendar year for the six (6) months of operations from January 1 through June 30 of the current calendar year, (B) annual reviewed financial statements as prepared by an independent certified public accountant for Franchisee's business entity by August 15 of each calendar year for the prior calendar year. Franchisee shall submit to Franchisor such forms, reports, records, information, and data as Franchisor may designate, in the forms and at the time and place required by Franchisor, upon request and as specified from time to time in the Manual or otherwise in writing, including without limitation, the Franchisee's business entity federal and state tax returns for each year during the Initial Term; provided, however, that if Franchisee's business entity is not a corporation, Franchisee may, at its option, submit only those schedules to its ~~owners~~Owners' personal tax filings which reflect the revenues and expenses of the Franchised Business.

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

(iv) **Initial Investment Report.** Within one hundred twenty (120) days after opening for business, Franchisee shall submit to Franchisor a report detailing Franchisee's investment costs to develop and open the Franchised Business, with costs allocated to the categories described in Item 7 of Franchisor's Franchise Disclosure Document (or such other categories as Franchisor may provide to Franchisee) and with such other information as Franchisor may request.

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

Franchisor and its agents shall have the right to access all information related to the operation of the Franchised Business that is accessed or stored on the Computer Systems, whether in-person or from a remote location, without the need for Franchisee's consent, at the times and in the manner prescribed by Franchisor, which may be unlimited, remote, 24/7 access.

(k) Data Protection; Privacy.

(i) Definition of Personal Information. As used in this Agreement, “Personal Information” shall mean (A) any information that can be used to identify, locate, or contact an individual or household, including but not limited to Franchisee’s employees and customers and (B) information that is defined as protected personal information under any Privacy Law.

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

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

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

(v) Security-Breach; Security Breach. Franchisee shall establish, maintain, and comply with appropriate internal, physical, and technical security measures in order

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

(vi) **Inspection.** Franchisor and its representatives and agents may at any time during business hours, and without prior notice to Franchisee enter upon and inspect each Premises and examine Franchisee's Computer Systems, databases, business records and other supporting records and documents in order to verify compliance with its Data

Protection and Security Policies, and Privacy Laws. Any such inspection shall be made at Franchisor's expense, provided that if such inspection is necessitated by Franchisee's repeated or continuing failure to comply with the Data Protection and Security Policies, Privacy Laws, or this Agreement, Franchisor may charge Franchisee for the costs of making such inspection, including without limitation, travel expenses, room and board, and compensation of Franchisor's representatives and agents.

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

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

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

(m) **Telephone Number.** Franchisee shall establish a local telephone number for the Franchised Business. Franchisee shall keep Franchisor notified as to the current telephone

number for the Franchised Business. In no event shall Franchisee use such number for any other business. If Franchisee obtains any additional or substitute telephone service or telephone number at the Franchised Business, it will promptly notify Franchisor and such additional or substitute number shall be subject to the terms of this subsection. Franchisee will provide continuous telephone answering coverage whenever the Franchised Business is open for business. Franchisee shall assign to Franchisor all of its ~~interest~~interests in the telephone number(s) used in connection the Franchised Business, including any personal cellphone numbers, and shall execute Attachment 4. Each ~~owner~~Owner shall provide Franchisor with, and thereafter update Franchisor each time such number changes, a current telephone number that Franchisor is authorized to call and send text messages, whether using an automatic telephone dialing system, artificial prerecorded voice, automatic text and voice messages, or other methods in Franchisor's discretion. Each ~~owner~~Owner agrees and acknowledges that message and data rates may apply to such messages.

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

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

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

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

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

(iv) **Active Management.** The Operating Owner or, if Franchisee obtains prior approval from Franchisor to use an Operations Manager, the Operations Manager must directly operate the Franchised Business and supervise the day-to-day operations of the

Franchised Business. An “Operating Owner” is ~~a single owner~~an Owner designated by Franchisee with at least ten percent (10%) of the ownership interests in Franchisee’s business entity. An “Operations Manager” is not required to have any ownership interests but may have them. The Operating Owner or Operations Manager shall devote full time and best efforts to the management, supervision, and conduct of the development and operation of the Franchised Business to ensure compliance with this Agreement and to maintain Franchisor’s high standards. The Operating Owner or Operations Manager shall have full authority to supervise day-to-day operations. Management responsibility shall include, without limitation, maintaining the highest standards for service, environmental safety, sanitation, and product installation, as well as supervising employees to ensure these high standards are met. The Operations Manager or Operating Owner must be accepted by Franchisor, complete Franchisor’s initial training requirements to Franchisor’s satisfaction, participate in and complete to Franchisor’s satisfaction all additional training as may be reasonably required by Franchisor. Any Operations Manager must pass a background check and have at least one year of experience in home improvement industry sales or management. The Operations Manager shall execute Franchisor’s then-current forms of noncompetition, non-solicitation, and confidentiality agreements. If at any time for any reason the Operations Manager or Operating Owner no longer qualifies to act as such, Franchisee shall promptly designate another Operations Manager or Operating Owner subject to the same qualifications set forth in this subsection. Franchisor shall receive advanced written notice of any change in the Operations Manager or Operating Owner.

(p) Mandatory Performance Standards.

(i) Minimum MSI. Franchisee must diligently work to develop the Franchised Business. Accordingly, following the ~~seventh~~^{fifth} (7th5th) year anniversary of the Effective Date, Franchisee must achieve the minimum MSI (“Minimum MSI”) for Franchisee’s market size each calendar year. The term “MSI” shall mean the percentage of window and patio door units sold compared to the total estimated window and patio door unit sales opportunity in the Territory. By way of example only, if Franchisee signs this Agreement in August ~~2025~~²⁰²⁶, then starting with the calendar year ~~2033~~²⁰³², Franchisee must achieve the Minimum MSI. The initial Minimum MSI is set forth in the Summary Pages. No more than one (1) time per year on thirty (30) days’ notice to Franchisee, Franchisor has the right to modify Franchisee’s Minimum MSI for the following calendar year by up to one (1) MSI percentage point. By way of example only, if Franchisee’s initial Minimum MSI is five percent (5%), Franchisor may increase the Minimum MSI to six percent (6%) for the following calendar year and then increase the Minimum MSI to seven percent (7%) in a future year.

(ii) Minimum Entry Door Purchase. Following the fifth (5th) year anniversary of the Effective Date, Franchisee must achieve the Minimum Entry Door Purchases each calendar year. “Minimum Entry Door Purchases” means purchasing the minimum dollar amount of entry doors from authorized vendors per calendar year. The Minimum Entry Door Purchase value is ~~Twenty Five Thousand Dollars (\$25,000)~~determined by market size and is set forth in the Summary Pages.

with this Agreement after the date of such transfer or assignment, and Franchisee's obligations and duties shall be and will remain the same notwithstanding any such assignment. Franchisor may be sold and/or Franchisor may sell any or all of its assets to a competitive or other entity, participate in an initial, or other, public offering or private placement of Franchisor's stock, merge, acquire other entities and/or assets (competitive or not), be acquired by a competitive or other entity, and/or may undertake any refinancing, leveraged buy-out and/or other transaction. Franchisee waives any and all claims, demands and/or damages with respect to any transaction or otherwise allowed under this subsection or otherwise.

(b) Transfers by Franchisee. The rights and interest of Franchisee under this Agreement are and shall remain personal to Franchisee. Franchisee recognizes that Franchisor has granted the License in reliance on the business and financial capacity and other attributes of Franchisee and in reliance upon ~~Section~~ Sections 11 and 12 of this Agreement. Therefore, neither Franchisee's interest, rights or privileges in this Agreement, the License, substantially all the assets of the Franchised Business, the Franchised Business, nor any person or party's interest ownership interest in Franchisee's business entity, shall be transferred in whole or in part, voluntarily or involuntarily, by operation of law or otherwise, in any manner, shall be transferred, except as provided in this Section 11. For purposes of this Agreement, the term "transfer" includes any issuance, sale, assignment, gift, pledge, mortgage or any other encumbrance (other than a lien against Franchisee's assets to secure a loan for the construction, remodeling, equipping or operation of the Franchised Business), transfer by bankruptcy, transfer by judicial order, merger, consolidation share exchange, transfer by operation of law, any change in the persons or parties who own an interest in Franchisee's business entity, ownership or structural changes in Franchisee's business entity such as a merger, reorganization, issuance of additional shares, classes of stock, or interests, or otherwise, whether direct or indirect, voluntary or involuntary, in whole or in part.

(c) Franchisor's Right of First Refusal.

(i) Exercise of Right. If any Franchisee proposes to engage in a transfer, Franchisee must first deliver a statement to Franchisor offering to sell to Franchisor the Franchisee's interest in the Franchisee's business entity, this Agreement, and assets of the Franchised Business (including but not limited to the land, building, equipment, furniture, inventory, and fixtures and any other assets or leasehold interests used for operations). If the proposed transfer involves an offer from a third party, then Franchisee must obtain from the third-party offeror and deliver to Franchisor a statement, in writing, signed by the offeror and by Franchisee, of the binding and non-binding terms of the offer. If the transfer does not involve an offer from a third party, then the purchase price for Franchisor's purchase ~~of assets described above~~ will be the fair market value of the assets or interests but shall not include the value of any goodwill of the Franchised Business, as the goodwill is attributable to the Marks and the System. If Franchisee disagrees with the value of the assets or interests as determined by Franchisor, then Franchisee and Franchisor shall each hire an appraiser (or a single appraiser, if they so agree) to value the assets. If the appraisals are within twenty percent (20%) of each other, then the difference between the two shall be equally divided to establish the price at which Franchisor may exercise its first right of refusal. If the difference between the

appraisals is greater than twenty percent (20%), then the issue of the fair market value of such consideration shall be determined by a third appraiser selected by the other two appraisers and whose decisions shall be final, except that it may not be lower or higher than the lowest appraisal and highest appraisal, respectively, determined by the first two appraisers. Franchisor and Franchisee will each pay one-half of the third appraiser's fees and expenses. Franchisor then has forty-five (45) days from its receipt of the statement setting forth the third-party offer or the appraiser's report, as applicable (and all other information requested by Franchisor) to accept the offer by delivering written notice of acceptance to Franchisee. Franchisor will strive to provide Franchisee with a prompt response. ~~Franchisor~~ During said forty-five (45) day period, Franchisor shall have the right to inspect all Franchisee's books and records relating to the Franchised Business, specifically including all financial records and statements for the three (3) full fiscal years preceding the date on which the forty-five (45) day right of first refusal commences. Franchisor will have an additional sixty (60) days to complete the purchase if Franchisor elects to exercise its right of first refusal. Franchisor's exercise of any right of first refusal will be on the same price and terms set forth in the statement delivered to Franchisor; provided, however (and regardless of whether the following are inconsistent with the price and terms set forth in the statement) (A) Franchisor has the right to substitute equivalent cash for any noncash consideration included in the offer, (B) Franchisor will prepare the transaction documents for the transfer, which will be on terms customary for this type of transaction (including representations and warranties, covenants, conditions, and indemnification), and (C) Franchisor's purchase may be limited to any assets related to the business. Franchisor has the unrestricted right to assign this option to purchase the assets or interests to its affiliates.

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

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

(i) **Compliance.** Franchisee is in full compliance with this Agreement and there are no uncured defaults by Franchisee hereunder, Franchisee and its affiliates are in full compliance with any other agreements between Franchisee or its affiliates and Franchisor or Franchisor's affiliates, and all debts and financial obligations of Franchisee are current, both under this Agreement and with vendors, including Franchisor and its affiliates. Franchisee will remain liable for all obligations to Franchisor in connection with the Franchised Business which arose prior to the effective date of the transfer. Prior to completion of the transfer, a representative of Franchisor shall conduct a pre-transfer

inspection of the Franchised Business and identify in writing any conditions that do not meet Franchisor's then-current standards and specifications as set forth in the Manuals ("Transfer Inspection"). Franchisee shall cause any deficiencies identified to be addressed prior to the transfer being completed ~~up to a~~. If Franchisee is in compliance with this Agreement, the maximum expenditure of Franchisor can require Franchisee to spend to correct the deficiencies is Fifty Thousand Dollars (\$50,000) ("Transfer Cap"). If Franchisee is not in compliance with this Agreement, there is no Transfer Cap. Alternatively, with Franchisor's prior written permission, the proposed transferee can agree to correct the identified deficiencies within sixty (60) days of the completion of the transfer. The transferee's maximum expenditure will be the Transfer Cap. Upgrades made during the Initial Term and prior to the Transfer Inspection are not included in determining whether the Transfer Cap has been satisfied.

(ii) **Agreements.** The proposed transferee and other parties relevant to the transaction execute such documents as Franchisor may reasonably require, including, but not limited to, the then-current version of the franchise agreement and ancillary agreements, which documents may be substantially different than those executed contemporaneously with the execution of this Agreement. Franchisor also has the right to require any ~~individual owners, business entities, or shareholders or members of the business entities,~~ Owners who remain ~~owners~~ Owners of the Franchised Business after the transfer is complete to sign the then-current version of the franchise agreement and then-current ancillary agreements (including, without limitation, personal guaranties). If one or more ~~owners of the Franchised Business~~ Owners exit the business as part of the transfer, while other ~~owners~~ Owners remain, Franchisor shall have the right to require such exiting ~~owners~~ Owners to sign termination agreements. If a new franchise agreement is signed as part of the transfer, this Agreement between Franchisor and Franchisee will terminate once an approved transfer is completed. Franchisor may require the transferee and any remaining ~~owners~~ Owners to come to Franchisor's then-current principal place of business to execute these agreements.

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

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

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

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

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

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

(ix) **Seller's Transfer Obligation Deposit.** If the transfer is an asset sale or other transaction where Franchisee's business entity will no longer be operating the Franchised Business, Franchisee shall pay Franchisor the greater of Ten Thousand Dollars (\$10,000) or one percent (1%) of the purchase price ("Deposit") at the time required by Franchisor. The Deposit will be refunded to Franchisee within thirty (30) days of Franchisor accepting Franchisee's evidence and certification that all of Franchisee's obligations under the transfer agreement have been timely completed, which acceptance will not be unreasonably withheld. If Franchisee does not timely comply with these requirements, Franchisor shall be entitled to retain the Deposit.

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

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

proposed transferee and/or Franchisor such financial reports and other data relating to the Franchised Business and its operations as Franchisor deems reasonably necessary or appropriate for transferee and/or Franchisor to evaluate the Franchised Business and the proposed transfer. Franchisee agrees that Franchisor has the right to confer with the proposed transferee and furnish it with information concerning the Franchised Business and proposed transfer without being held liable to Franchisee, except for intentional misstatements made to a transferee. Any information furnished by Franchisor to proposed transferees is for the sole purpose of permitting them to evaluate the Franchised Business and proposed transfer and must not be construed in any manner or form whatsoever as claims of success or failure.

(e) Death or Disability.

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

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

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

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

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

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

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

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

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

(iii) "Products and Services" means the advertising, selling, and/or installing of custom-made windows, siding, entry door systems, and any products or services Franchisee, Franchisor, or any affiliates or franchisees of Franchisor offer under Franchisor's Marks, (A) for covenants relating to the Initial Term, the Initial Term, and (B) for covenants relating to the Restrictive Period, during the twelve (12) month period preceding the first date of the Restrictive Period.

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

(v) "Restricted Territory" means:

other person or entity, on Franchisee's own behalf or on behalf of any other person or entity, do any or all of the following:

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

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

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

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

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

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

(e) **Confidential Information.**

(i) **Access to Confidential Information.** Franchisee understands and agrees that Franchisor has disclosed or will hereafter disclose to Franchisee certain Confidential Information. Franchisee acknowledges that Franchisor has invested substantial time, effort, and resources in developing and protecting the Confidential Information, which are unique and valuable assets of Franchisor and are crucial to Franchisor's success, and the success of its franchisees and affiliates, and that Franchisor is providing the access to the Confidential Information to Franchisee in trust and confidence solely in order to assist

any kind. Franchisee's full, uninhibited, and faithful observance of each of the covenants in this Section 12 will not cause any undue hardship, financial or otherwise. Enforcement of each of the covenants in this Section 12 will not impair Franchisee's ability to obtain employment commensurate with Franchisee's abilities or on terms fully acceptable to Franchisee. The parties acknowledge and agree that the covenants in this Section 12 are to be construed as independent of any other covenant or provision of this Agreement. The existence of any claim Franchisee may have against Franchisor or any of its affiliates (regardless of whether arising under this Agreement) is not a defense to the enforcement of these covenants against Franchisee.

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

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

(i) Activities Not In Violation of this Section 12. Notwithstanding anything in this Section 12 to the contrary, Franchisee's purchase of a publicly traded security of a corporation engaged in providing Competing Services shall not in itself be deemed violative of this Section 12 so long as Franchisee does not own more than one percent (1%) of the securities of such corporation.

13. Insurance.

(a) Types and Extent of Coverage for a Franchised Business. Unless otherwise permitted by Franchisor in writing, Franchisee shall, at its sole expense, obtain, and maintain

throughout the Initial Term such insurance coverages with such limits as specified below or as modified from time to time in the then-current version of the Manuals (or such greater amounts of insurance as may be required by the terms of any lease or mortgage relating to each Premises or agreement with customers):

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

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

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

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

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

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

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

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

(b) **Other Insurance Requirements.** Unless otherwise permitted by Franchisor in writing, Franchisee shall obtain from a nationally recognized insurance company having an A.M. Best rating of A or higher and at all times during the Initial Term of this Agreement maintain in force and pay the premiums for all types of insurance listed above with complete operations coverage. All policies of insurance required to be maintained hereunder shall: (i) be written as primary policy coverage and not "excess over" or contributory with any other applicable insurance, including Franchisor's insurance, (ii) shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer(s)' liability, (iii) shall not contain any special limitations on the scope of coverage afforded to Franchisor, (iv) shall provide that any failure by Franchisee or any of Franchisee's employees, agents, or vendors to comply with any notice, reporting, or other similar provisions of such policies shall not affect the coverage provided to Franchisor. From time to time in Franchisor's sole discretion, Franchisor may increase or modify such limits of liability or require additional types of coverage (including but not limited to cyber liability coverage). The insurance policies shall name Franchisor and any affiliates, officers, members, owners, and employees ~~Franchisee~~Franchisor designates as an "additional insured" and shall expressly protect both Franchisor and Franchisee (and any other additional insured) on a primary and non-contributory

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

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

14. Default; Termination.

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

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

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

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

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

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

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

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

(viii) Franchisee's business entity is dissolved.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(xiv) Any of the following occur within twelve (12) months of the execution of this Agreement: (A) any representations or warranties of Franchisee become inaccurate or false, (B) the Operating Owner(s) or, as applicable, the Operations Manager, fail to take or pass any of Franchisor's required training, and/or (C) Franchisee, Operating Owner(s),

or the Operations Manager fail to timely or diligently perform any duties or obligations during the period prior to the opening date.

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

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

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

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

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

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

~~(xxix)~~ Franchisee has any other incurable default.

(c) **Termination After Failure to Cure.** Except for those defaults provided for under Section 14(a) or 14(b), Franchisee shall be in default hereunder for any failure to maintain or comply with any of the terms, covenants, specifications, standards, procedures, or requirements imposed by this Agreement (including the Manuals) or to carry out the terms of this Agreement in good faith. For such defaults, Franchisor will provide Franchisee with written notice and, to the extent curable, fifteen (15) days to cure or, if a default cannot reasonably be cured within fifteen (15) days, to initiate within that time substantial and continuing action to

cure such default and to provide Franchisor with evidence of such actions. If the defaults specified in such notice are not cured within the fifteen (15) day period, if substantial and continuing action to cure has not been initiated, or if the default is not curable, Franchisor may, at its option, terminate this Agreement upon written notice to Franchisee. Such defaults shall include, without limitation, the occurrence of any of the following events:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(xviii) Any individual Franchisee makes a general assignment for the benefit of creditors, files a petition in bankruptcy, fails to oppose a bankruptcy petition filed against such person, is adjudicated bankrupt or insolvent, has his or her real property sold after levy thereupon by any sheriff, marshal, or constable, has his or her interest in the Franchised Business become subject to an attachment, garnishment, levy, or seizure, has a judgment against him or her that is unsatisfied for thirty (30) days or longer, or a proceeding is filed, or such person has a receiver or other custodian appointed, for such person's assets or property, or any part thereof.

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

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

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

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

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

(f) Cross-Defaults. Any default by Franchisee under this Agreement shall be a default under any other agreement between Franchisor (or any affiliate of Franchisor) and Franchisee (or any ~~owner~~Owner or affiliate of Franchisee). Any such default under any other agreement or any other obligation between Franchisor (or any affiliate of Franchisor) and Franchisee (or any ~~owner~~Owner or affiliate of Franchisee) shall be a default under this

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

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

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

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

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

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

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

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

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

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

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

(vi) **Pay Amounts Due.** Franchisee shall promptly pay all sums owed to Franchisor. Such sums shall include all damages, costs, losses, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default and the termination. Any outstanding obligations to Franchisor shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and used in connection with the Franchised Business or is located at any Premises on the date this Agreement is terminated, expires, or does not renew. Within fifteen (15) days of the date of expiration, termination, or non-renewal of this Agreement, Franchisee shall pay in full all of the creditors and vendors to the Franchised Business.

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

(viii) **Cooperate with Franchisor's Assumption Rights.** If not already assigned, Franchisor shall have the option, to be exercised within thirty (30) days of termination, expiration, or non-renewal of this Agreement, to assume any of Franchisee's Online Presence(s), assumed name or equivalent registration, business licenses, telephone numbers (including personal telephone numbers used in connection with the Franchised

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

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

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

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

~~reasonably necessary to protect the Marks and the System, and to distinguish each Premises from other WINDOW WORLD businesses.~~

(xii) **Assignment of Lease or Granting Possession of Premises.** Franchisee shall, if Franchisor so requests, assign to Franchisor any interest which Franchisee has in any lease for any Premises or, pursuant to the terms of the Alternative Agreement, grant Franchisor possession of the Premises.

(b) **Right to Purchase.**

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

(ii) **Fair Market Value.** If Franchisor exercises its right to purchase, Franchisor shall pay Franchisee the Fair Market Value of the assets. For purposes of this Section 15(b) "Fair Market Value" shall mean the fair market value of the assets excluding the value of the License, System, Marks, customer base and information, and other assets owned by Franchisor and the associated goodwill. If Franchisee disagrees with Franchisor's determination of Fair Market Value, then Franchisee must, within ten (10) days of receiving Franchisor's proposal of the Fair Market Value, give Franchisor notice, which notice shall contain Franchisee's alternative calculation of the Fair Market Value of the assets, applying the same methodology discussed above. Within ten (10) days of Franchisee giving notice of its disagreement, Franchisor and Franchisee shall mutually agree upon a qualified independent appraiser who shall select from the two proposals of Fair Market Value the one that is the most commercially reasonable. The independent appraiser's determination shall be binding on the parties. If Franchisee does

not provide written notice of its disagreement with the Fair Market Value determined by Franchisor within ten (10) days of receiving Franchisor's proposal, then Franchisor's determination of the Fair Market Value shall be deemed accepted. Franchisor's purchase of the assets must close within thirty (30) days of conclusion of the ten (10) day notice period or of the appraiser's determination. Notwithstanding the foregoing, to the extent that Franchisor exercises Franchisor's right to purchase any assets that is subject to a lease or finance agreement, the purchase price of such asset shall equal the amount of Franchisee's remaining obligations under the lease or finance agreement, as applicable. Franchisor shall be entitled to offset the purchase price by the amount of money owed by Franchisee to Franchisor for any payments necessary to acquire clear title to property or for any other debt.

(c) Access to Premises. In the event Franchisee does not comply with any of these obligations set forth in Section 15, Franchisor may enter each Premises, without being guilty of trespass and without incurring any liability to Franchisee, to undertake these post-termination obligations, including removing all signs and other items identifying each Premises as a WINDOW WORLD business and to make such other modifications as are reasonably necessary to protect the Marks and the System, and to distinguish each Premises from other WINDOW WORLD businesses.

(d) Survival. These obligations arising upon termination, non-renewal, or expiration shall expressly survive such termination, non-renewal, or expiration for any reason.

16. Independent Contractor; Indemnification.

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

(b) Indemnification.

(i) Franchisee's Obligation to Indemnify. Franchisee ~~agree~~agrees to fully protect, indemnify, defend, reimburse, and hold Franchisor; Franchisor's predecessors and affiliates; and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities (collectively, "Franchisor Indemnified Parties") harmless from and against all liabilities, losses, obligations, claims, demands, damages (consequential or otherwise), penalties, fines, costs, and expenses (including attorneys' fees) of any nature whatsoever (collectively, "Losses") incurred in connection with any action, suit, proceeding, claim, demand,

judgment, investigation, inquiry, assessment, or formal or informal inquiry (regardless if reduced to judgment), or any settlement of the foregoing, of whatsoever nature (collectively, "Action"), arising from any of the following: (A) Franchisee's actual or alleged violation of any laws, ordinances, orders, rules, and regulations, (B) damage to property, (C) injury to or death or disability of any person, (D) negligence, recklessness, misconduct, or criminal conduct by the Franchisee's or any of Franchisee's officers, directors, managers, employees, independent contractors, or agents, (E) data breaches, (F) Franchisee's breach of this Agreement or any representations and warranties they make herein, (G) infringement of any intellectual property rights, (H) product recalls, (I) any failure to warn or give instructions related to any products or services provided by Franchisor Indemnified Parties or by Franchisee, (J) any labor or employment law disputes relating to each Premise or the Franchised Business or claims arising out of Franchisee's employment practices, including claims that any of the Franchisor Indemnified Parties are the employer, joint employer, or co-employer of Franchisee or Franchisee's agents, employees, or contractors, (K) any third party claim that arises from or is connected that explicitly or implicitly is premised on Franchisor's direct and vicarious liability or arises from Franchisee's employment and personnel decisions, including wrongful termination, wage and hour violations, and employee harassment and discrimination, (L) any acts, errors, or omissions of the Franchised Business, the Franchisee, and their officers, directors, managers, employees, independent contractors, or agents, (M) any customer or officer, director, manager, employee, independent contractor, or agent dissatisfaction with or claim related to Franchisee, the Franchised Business, or the products and services provided by the Franchised Business, ~~or~~ (N) losses, claims or damages incurred by persons, other than Franchisee, due to errors or omissions contained in financial statements prepared by Franchisee pursuant to this Agreement, even if caused by the negligence of Franchisee, its employees, agents, contractors, or others for whom Franchisee is, in law, responsible, or (O) any third party claim that arises from or is connected with the ownership, establishment, use, non-use, possession, condition, operation, closure, or maintenance of each Premises, the products sold and installed by Franchisee, and the Franchised Business. Franchisee agrees that this obligation to indemnify is regardless of the cause or concurrent or contributing fault or negligence of the Franchisor Indemnified Parties. Franchisee hereby waives all claims against Franchisor Indemnified Parties arising from any of the foregoing. Franchisor Indemnified Parties shall not be liable for any act or omission of Franchisee or its officers, directors, managers, employees, independent contractors, or agents connected to or arising from the ownership, establishment, use, non-use, possession, condition, operation, or maintenance of each Premises and the Franchised Business.

(ii) **Indemnification Procedures.** Franchisee will also notify Franchisor by telephone of any Action within forty-eight (48) hours after such Action is initiated and in writing within four (4) days after such Action is initiated. Franchisor Indemnified Parties shall have the right, in their sole discretion, and at Franchisee's expense and risk, to: (A) retain counsel of their own choosing to represent them with respect to any claim, and (B) control the response thereto and the defense thereof, including the right to enter into settlements or take any other mitigating, remedial, corrective, or other actions they deem appropriate. Franchisee must reimburse Franchisor Indemnified Parties for all of

SOLELY TO THE EXTENT OF FRANCHISOR'S OWN CRIMINAL, INTENTIONAL, OR GROSSLY NEGLIGENT CONDUCT IN ENGAGING THE BROKER.

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

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

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

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

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

(H) FRANCHISEE ACKNOWLEDGES THAT IT HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE PROPOSED FRANCHISE AND RECOGNIZES THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS AND THAT ITS SUCCESS WILL BE LARGELY DEPENDENT UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT ~~BUSINESS OWNER OR BUSINESS~~. FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY WARRANTY, OR GUARANTEE, OR REPRESENTATION OTHER THAN AS SET FORTH IN THE DISCLOSURE DOCUMENT, EXPRESS OR IMPLIED, FROM ANY EMPLOYEE OR AGENT OF FRANCHISOR AS TO THE POTENTIAL SALES VOLUMES, PROFITS, OR LEVEL OF SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT. FRANCHISOR HAS NOT REPRESENTED THAT (I) FRANCHISEE WILL EARN, CAN EARN, OR IS LIKELY TO EARN A GROSS OR NET PROFIT, (II) FRANCHISOR HAS KNOWLEDGE OF THE RELEVANT MARKET, OR (III) THE MARKET DEMAND WILL ENABLE FRANCHISEE TO EARN A PROFIT FROM THE FRANCHISED BUSINESS. FRANCHISEE ACKNOWLEDGES THAT IT RECEIVED A COPY OF THE COMPLETE FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, THE ATTACHMENTS THERETO, AND THE AGREEMENTS RELATED THERETO, IF ANY, AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS SIGNED OR CONSIDERATION PAID.

18. Governing law, Jurisdiction and Venue.

(a) **Informal Resolution/Mediation.** ~~Before~~Except as set forth below, before commencing any ~~legal action~~Action against Franchisor or its affiliates ~~with respect to any claim or dispute and, except as set forth in Section 18(f) below,~~ Franchisee (and if applicable, its affiliates) shall submit to Franchisor, through Franchisor's registered agent as identified herein, a written notice which specifies, in detail, the precise nature and grounds of such ~~claim or~~

~~dispute~~Action. Within thirty (30) days after receiving the written notice, Franchisor and Franchisee ~~(and if applicable, their affiliates)~~ shall meet in person or telephonically to discuss the issues raised in the written notice provided by Franchisee ("Informal Discussions"). After the Informal Discussions have occurred and if the dispute has not been resolved, Franchisor ~~and its affiliates~~ will have a period of twenty (20) days following the Informal Discussions to notify Franchisee ~~and its affiliates~~ as to whether Franchisor or its affiliates elects to exercise its option to submit ~~such claim or dispute~~the Action to mediation. If Franchisor ~~elects~~ or its affiliates elect to submit the ~~claim or dispute~~Action to mediation, the mediation will occur in North Wilkesboro, North Carolina in accordance with the American Arbitration Association's Commercial Mediation Rules then in effect. It is agreed that the mediator selected will have experience in franchise matters and/or franchise law and is not required to be affiliated with the American Arbitration Association. Franchisee ~~(and if applicable, its affiliates)~~ may not commence any ~~action~~Action against Franchisor or its affiliates ~~with respect to any such claim or dispute~~ in any court unless Franchisor fails to exercise its option to submit such ~~claim or dispute~~Action to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile, or (ii) as a result of a written declaration by Franchisor or its affiliates. Franchisor's and its affiliates' rights to mediation, as set forth herein, may be specifically enforced by Franchisor ~~and its affiliates~~. Each party shall bear its own cost of mediation and ~~Franchisor and Franchisee~~ shall share mediation costs equally. The parties ~~shall agree that Franchisor is not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in Section 18(a) if such controversy, dispute, or claim concerns~~ mediate before bringing any Action against Franchisee and its affiliates, including, without limitation, Actions concerning an allegation that a party Franchisee or its affiliates (A) has violated (or threatens to violate, or poses an imminent risk of violating) (A) any federally-protected intellectual property rights in the Marks, the System, or in any Confidential Information, (B) any claim has violated (or threatens to violate, or poses an imminent risk of violating) any Action pertaining to or arising out of any warranty issue, or (C) has violated (or threatens to violate, or poses an imminent risk of violating) any of the restrictive covenants contained in this Agreement, (D) has engaged conduct (or threatens to engage in conduct or poses an imminent risk of engage in conduct) that could materially damage the goodwill associated with the System, the Marks, and the Network, (E) owe Franchisor or its affiliates amounts due under the Franchise Agreement or related agreements, or (F) has failed to comply with the mediation requirements for intra-franchisee disputes set forth in Section 20(o). This agreement to mediate shall survive any termination, non-renewal, or expiration of this Agreement.

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

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

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

~~(ed) WAIVER OF CERTAIN DAMAGES.~~ EXCEPT FOR FRANCHISEE'S OBLIGATIONS TO INDEMNIFY FRANCHISOR INDEMNIFIED PARTIES UNDER THIS AGREEMENT AND CLAIMS FRANCHISOR BRINGS AND ITS AFFILIATES BRING AGAINST FRANCHISEE FOR FRANCHISEE'S UNAUTHORIZED USE OF THE MARKS OR SYSTEM, UNAUTHORIZED USE OR DISCLOSURE OF CONFIDENTIAL INFORMATION, OR BREACH OF FRANCHISEE'S NON-COMPETITION OR NON-SOLICITATION COVENANTS, FRANCHISOR (AND ITS AFFILIATES) AND FRANCHISEE (AND IF APPLICABLE, ITS AFFILIATES) WAIVE ANY RIGHT TO OR CLAIM FOR PUNITIVE, CONSEQUENTIAL, EXEMPLARY, MULTIPLE, INCIDENTAL OR OTHER DAMAGES IN EXCESS OF THE ECONOMIC DAMAGES ACTUALLY SUSTAINED, WHETHER ASSERTED AS A RELATED OR INDEPENDENT TORT, AS A BREACH OF CONTRACT, OR AS ANY OTHER CLAIM OR CAUSE OF ACTION BASED ON STATUTORY OR COMMON LAW. FRANCHISEE (AND IF APPLICABLE, ITS AFFILIATES) AGREES THAT IN THE EVENT OF A DISPUTE AN ACTION BETWEEN FRANCHISOR (AND IF APPLICABLE, ITS AFFILIATES) AND FRANCHISEE (AND IF APPLICABLE, ITS AFFILIATES), FRANCHISEE (AND IF APPLICABLE, ITS AFFILIATES) SHALL BE LIMITED SOLELY TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY FRANCHISEE (AND IF APPLICABLE, ITS AFFILIATES). FRANCHISOR (AND ITS AFFILIATES) SHALL NOT BE LIABLE TO ANY PERSON OR ENTITY IN RELATION TO ANY PRODUCTS AND/OR SERVICES (INCLUDING ANY ASPECT OF

THE LABOR OR INSTALLATION OF ANY EQUIPMENT, SERVICES, OR PRODUCTS) PROVIDED BY FRANCHISOR, FRANCHISOR'S AFFILIATES AND/OR ANY VENDOR OR PERSON REFERRED OR APPROVED BY FRANCHISOR. SUCH ITEMS ARE PROVIDED WITHOUT ANY WARRANTIES BY FRANCHISOR OR ITS AFFILIATES, WHETHER EXPRESS OR IMPLIED, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE BEING EXPRESSLY DISCLAIMED.

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

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

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

(h) Action. The term “Action” as referred to in this Section 18, means any claim, counterclaim, action, proceeding, lawsuit, arbitration, dispute, or controversy, whether in law or in equity, arising from or related to this Agreement, any agreement between Franchisee (or its affiliates) and Franchisor (or its affiliates) relating to the Franchised Business, the rights, performance, and obligations of Franchisor and Franchisee under such agreements, the interpretation, validity, or enforceability of such agreements, the sale of the franchise, the relationship between Franchisor and Franchisee (and its affiliates).

19. Notices.

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

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

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

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

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

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

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

20. Miscellaneous.

(a) Severability. The invalidity or unenforceability of any one or more provision of this Agreement shall in no way affect any other provision. If any court of competent jurisdiction

determines any provision of this Agreement to be invalid, illegal, or unenforceable, that portion shall be deemed severed from the rest, which shall remain in full force and effect as though the invalid, illegal, or unenforceable portion had never been a part of this Agreement.

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

(c) **Entire Agreement.** This Agreement, the documents incorporated herein by reference and the exhibits attached hereto, comprise the entire agreement between the parties and all prior ~~understands~~understandings, representations (including, unless otherwise agreed upon by the parties, the representations of any franchise sellers) or agreements concerning the subject matter hereof are canceled and superseded by this Agreement. ~~This~~Except as set forth below, ~~this~~ Agreement may not be amended orally but may be amended only by a written instrument signed by the parties. Franchisee expressly acknowledges that no oral promises or declarations were made to it and that the obligations of Franchisor are confined exclusively to those set forth in this Agreement. Franchisee understands and assumes the business risks inherent in this enterprise. Notwithstanding the foregoing, nothing in this Agreement or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document

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

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

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

(g) **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same Agreement. The parties may utilize electronic means to transmit this Agreement or PDF copies

of this Agreement and all such electronically transmitted copies of this Agreement shall be deemed as valid as originals. This Agreement may, but is not required to, be executed using electronic signatures. Electronic signatures shall be treated for all purposes as originals.

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

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

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

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

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

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

one (1) or more liens are filed against the Franchisee and/or the Franchised Business under this Agreement.

(n) Survival. In the event of expiration, termination, or non-renewal of this Agreement, Franchisee will remain liable for Franchisee's obligations pursuant to this Agreement or any other agreement between Franchisee and Franchisor or its affiliates that expressly or by their nature survive the expiration, termination, or non-renewal of this Agreement.

(o) Intra-Franchisee Disputes. Before commencing any claim, counterclaim, action, proceeding, lawsuit, arbitration, dispute, or controversy, whether in law or in equity, related to the Franchised Business against any other Franchisee or the Franchised Business entity (individually and together the "Respondent Franchisee"), each Franchisee (individually and together the "Initiating Franchisee") shall submit to the Respondent Franchisee a written notice which specifies, in detail, the precise nature and grounds of such claim, counterclaim, action, proceeding, lawsuit, arbitration, dispute, or controversy, whether in law or in equity. Within thirty (30) days after receiving the written notice, the Initiating Franchisee and the Respondent Franchisees shall meet in person or telephonically to discuss the issues raised in the written notice provided by Initiating Franchisee. After the meeting has occurred, and if the dispute has not been resolved and Initiating Franchisee desires to take further action, Initiating Franchisee may submit the dispute to mediation to occur somewhere in the Territory in accordance with the American Arbitration Association's Commercial Mediation Rules then in effect. The parties may agree to a different venue and rules for mediation. Initiating Franchisee and Respondent Franchisee may not commence any claim, counterclaim, action, proceeding, lawsuit, arbitration, dispute, or controversy, whether in law or in equity, in any court or other proceeding, unless the mediation proceedings have been terminated as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile. Respondent Franchisee's rights to mediation, as set forth herein, may be specifically enforced by Respondent Franchisee. Each party shall bear its own cost of mediation and shall share mediation costs equally. The parties shall not be required to first attempt to mediate a dispute as set forth in herein if such dispute (i) concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating) any of the restrictive covenants contained in this Agreement or a breach of a confidentiality obligation between the parties, or (ii) concerns an allegation that a party has committed in a felony or a crime involving moral turpitude and there is a civil remedy being sought in connection with such crime. This agreement to mediate shall survive any termination, non-renewal, or expiration of this Agreement. The parties agree that if Franchisor must enforce this provision against Franchisee, such actions may be immediately commenced in court without first going to mediation.

(p) Enforceability. Franchisor, its successors, and assigns have the exclusive right to enforce this Agreement against Franchisee and its affiliates. Without limiting the foregoing, no other Window World franchisee in the Network may enforce any of the terms of this Agreement against Franchisee.

21. 21-Definitions.

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

“Account” is defined in Section 3(a)(ii)(F)(2).
“Action,” as used with Section 16(b), is defined in Section 16(b)(i).
“Action”, as used with Section 18, is defined in Section 18(h).
“Advertising” is defined in Section 1(e).
“Affiliate” is defined in Section 1(e).
“Agreement” is defined in the preamble.
“AI” is defined in Section 7(k).
“Alternative Agreement” is defined in Section 6(c).
“Cooperative” is defined in Section 8(a).
“Competing Services” is defined in Section 12(a)(iv).
“Computer Systems” is defined in Section 9(j).
“Confidential Information” is defined in Section 12(e)(iii).
“Crisis” is defined in Section 9(h).
“Customer” is defined in Section 12(a)(i).
“Customer List” is defined in Section 7(h).
“Data Protection and Security Policies” is defined in Section 9(k)(ii).
“Deposit” is defined in Section 11(d)(ix).
“Designated Contact” is defined in section 9(o)(ii).
“Disability” is defined in Section 11(e)(i).
“EFT” is defined in Section 3(b).
“Fair Market Value” is defined in Section 15(b)(ii).
“Franchised Business” is defined in Section D of the Recitals.
“Franchised Business Data” is defined in Section 7(h).
“Franchisee” is defined in the preamble.
“Franchisor Indemnified Parties” is defined in Section 16(b)(i).
“Franchisor” is defined in the preamble.
“Fully Implement” is defined in Section 2(b)(xii).
“Gray Area” is defined in Section 5(d)(ii).
“Gross sales” is defined in Section 1(e).
“Headquarters” is defined in Section 1(b).
“Informal Discussions” is defined in Section 18(a).
“Initial Franchise Fee” is defined in Section 3(a)(i).
“Initial Term” is defined in Section 2(a).
“Initiating Franchisee” is defined in Section 20(o).
“Inventions and Ideas” is defined in Section 7(g).
“Lease Rider” is defined in Section 6(c).
“License” is defined in Section 1(a).
~~“Losses Lookback Date”~~ is defined in Section 162(b)(ix).
“Losses” is defined in Section 16(b)(i).
“Manuals” is defined in Section 9(a).
“Marks” is defined in Section C of the Recitals.
“Minimum Local Advertising Spend” is defined in Section 8(b).
“Minimum Entry Door Purchases” is defined in Section 9(p)(ii).
“Minimum MSI” is defined in Section 9(p)(i).

~~“Marks MSI”~~ is defined in Section C of the Recitals in Section 9(p)(i).
 “Network” is defined in Section A of the Recitals.
 “Non-Operating Owner” is defined in Section 9(o)(iii).
 “Notification and Remediation Related Costs” is defined in Section 9(k)(v).
“Online Presence” is defined in Section 8(h)(i).
“Operating Owner” is defined in Section 9(o)(iv).
 “Operations Manager” is defined in Section 9(o)(iv).
“Owners” is defined in the preamble.
 “PCI-DSS” is defined in Section 9(k)(iii).
 “Personal Information” is defined in Section 9(k)(i).
“Premises” is defined in Section 6(a).
 “Privacy Laws” is defined in Section 9(k)(iii).
 “Products and Services” is defined in Section 12(a)(iii).
 “Prospective Customer” is defined in Section 12(a)(ii).
“Related Party” is defined in Section 6(a).
 “Renewal Agreement” is defined in Section 2(b)(v).
 “Renewal Inspection” is defined in Section 2(b)(ii).
 “Renewal Term” is defined in Section 2(b).
“Respondent Franchisee” is defined in Section 20(o).
 “Restricted Period” is defined in Section 12(a)(vi).
 “Restricted Territory” is defined in Section 12(a)(v).
 “Royalties” is defined in Section 3(a)(ii)(A).
 “Satellite” is defined in Section 1(b).
 “Security Breach” is defined in Section 9(k)(v).
 “System” is defined in Section A of the Recitals.
“Technology Fee” is defined in Section 3(a)(iii).
“Territory” is defined in Section 5(a).
 “Transfer Cap” is defined in Section 11(d)(i).
 “Transfer Inspection” is defined in Section 11(d)(i).
 “Transfer” is defined in Section 11(b).
 “Vendor” is defined in Section 1(e).

reasonably requires in order to evaluate the proposed assignee's financial condition and ownership structure.

4. Notices; Opportunity to Cure. Copies of any demand letters, default notices or other similar notices of non-compliance ("Notice") sent by Landlord to Tenant shall also be sent to Franchisor at the following address:

Legal Department
WINDOW WORLD, INC.
118 Shaver St.
North Wilkesboro, NC 28659
Email: legal@windowworld.com

In the event Tenant fails to cure or otherwise remedy the subject matter of the Notice, and prior to exercising any remedies under the Form Lease, Landlord shall grant Franchisor the identical period of time in which to cure same (said cure period to commence immediately upon Notice from Landlord to Franchisor (at the address set forth herein) that Tenant has failed to cure in a timely manner) and Landlord agrees to accept the performance of Franchisor within said period of time as performance by Tenant pursuant to the terms of the Form Lease. Any Notice to Franchisor will be deemed given or received on the next business day after Landlord has deposited the Notice with a nationally recognized courier (such as UPS, FedEx, or DHL Worldwide) for next-day delivery and emailed Franchisor at the provided email addresses.

5. Option to Lease. Landlord hereby agrees that (i) in the event of the termination or expiration of the Franchise Agreement by and between Tenant and Franchisor, (ii) in the event of the termination of the Form Lease for any cause whatsoever including, without limitation, a default by Tenant under the Form Lease after expiration of any applicable notice and cure periods, (iii) in the event of Tenant's failure to exercise any extension option contained in the Form Lease, or (iv) as otherwise permitted under the Franchise Agreement, Franchisor, any parent, subsidiary or affiliate of Franchisor, or another WINDOW WORLD franchisee shall have the option to lease the Premises pursuant to the same terms and conditions as are contained in the Form Lease, in accordance with any or all of the following:

(a) Landlord agrees to promptly give Notice to Franchisor (at the address set forth herein) in the event the Form Lease is terminated as the result of a default by Tenant or in the event Tenant fails to exercise any remaining options to extend the term of the Form Lease.

(b) If Franchisor, any parent, subsidiary, or affiliate of Franchisor, or another WINDOW WORLD franchisee, elects to lease the Premises, such party shall notify Landlord in writing of its election to exercise this option to lease within thirty (30) days after ~~(i)~~¹ termination or expiration of the Franchise Agreement; ~~(ii)~~² Franchisor's receipt of Notice from Landlord that the Form Lease has been terminated; or ~~(iii)~~³ receipt of Notice from Landlord that Tenant has failed to exercise an option to extend the term of the Form Lease.

(c) If Franchisor, any parent, subsidiary, or affiliate of Franchisor, or another WINDOW WORLD franchisee elects to lease the Premises under any of the conditions set

Landlord for the entire cost of such repair within twenty (20) days after Landlord's written demand for payment is received or deemed received by Franchisor. ~~In the event Landlord brings an action to enforce Franchisor's obligations under this subsection, the prevailing party in such action will be entitled to recover from the other party the prevailing party's reasonable attorneys' fees and costs of suit, including expert witness fees, if applicable.~~

7. Assignment of Interest. This Rider is binding and shall inure to the benefit of Landlord, Tenant, and Franchisor, any parent, subsidiary, or affiliate of Franchisor, or another WINDOW WORLD franchisee, their assigns, and successors-in-interest. Franchisor, any parent, subsidiary, or affiliate of Franchisor, or another WINDOW WORLD franchisee are intended beneficiaries of this Rider, provided such parties shall have no liability for any of Tenant's obligations under the Form Lease. Franchisor signs below for the limited purpose of acknowledging and agreeing to the provisions of this Rider.

8. Non-disturbance from Mortgage Lenders. It is a condition of the Form Lease being subordinated to any mortgage, deed of trust, deed to secure debt or similar encumbrance on the Premises that the holder of such encumbrance agrees not to disturb Tenant's rights under the Form Lease or Tenant's possession of the Premises, so long as Tenant is not in default of its obligations under the Form Lease beyond any applicable grace or cure period provided therein. If a mortgage, deed of trust or deed to secure debt currently encumbers the Premises, it is a condition precedent to Tenant's obligations under the Form Lease that the holder of such encumbrance enter into a written recordable form of subordination and non-disturbance agreement with Tenant, in a form reasonably acceptable to Tenant, as described above.

9. Security Interest. Any security interest and/or landlord's lien of Landlord in Tenant's trade fixtures, trade dress, signage, equipment, inventory, and other personal property is hereby subordinated to any security interest and pledge granted to Franchisor in such items.

10. Access. Landlord hereby agrees that Franchisor, its employees, and agents have the right to enter into and temporarily occupy the Premises for all purposes permitted under the Franchise Agreement or to otherwise enforce the Franchise Agreement.

LANDLORD:

By: _____

Its: _____

Name: _____

TENANT:

By: _____

Its: _____

Name: _____

Agreed to:

FRANCHISOR:

WINDOW WORLD, INC.

By: _____

Name: _____

Title: _____

[Link-to-previous setting changed from on in original to off in modified.].

6. **Miscellaneous.** The validity, construction and performance of this Assignment is governed by the laws of the State in which Franchisor is located. All agreements, covenants, representations and warranties made in this Agreement survive the signing of this Agreement. All of Franchisor's rights inure to Franchisor's benefit and to the benefit of Franchisor's successors and assigns.

~~SIGNATURE PAGE FOLLOWS~~

[Link-to-previous setting changed from on in original to off in modified.].

ATTACHMENT 5 TO FRANCHISE AGREEMENT
NONDISCLOSURE AND NONCOMPETITION AGREEMENT
(For ~~owner~~Owner spouses and domestic partners and Operations Managers)

This Nondisclosure and Noncompetition Agreement (“Agreement”) is made and entered into as of _____ (“Effective Date”) by and between WINDOW WORLD, INC., a North Carolina corporation (“Franchisor”) and _____ (“Associate”), who resides at _____.

A. Franchisor is engaged in the business of selling franchises for the operation of a business that markets, sells, and installs exterior remodeling products in residential and light commercial settings (“Franchised Business”). The Franchised Businesses are operated under the trademark “WINDOW WORLD” and other service marks, trademarks, and other commercial symbols (collectively, the “Marks”).

B. Franchisor has developed methods for establishing, operating and promoting Franchised Businesses pursuant to Franchisor’s Confidential Information (defined below) and such Confidential Information as may be further developed from time to time by Franchisor.

C. Franchisor and its affiliates have established substantial goodwill and an excellent reputation, which goodwill and reputation have been and will continue to be of major benefit to Franchisor.

D. Associate desires to become involved with _____ (“Franchisee”), a franchisee of Franchisor that operates a Franchised Business in the capacity of an Operations Manager of the Franchised Business, or a spouse or domestic partner of an ~~owner~~Owner of a Franchised Business, and will become privileged as to certain Confidential Information.

E. Associate and Franchisor have reached an understanding with regard to nondisclosure by Associate of Confidential Information and with respect to noncompetition by Associate with Franchisor and other franchisees of Franchisor. Associate agrees to the terms of this Agreement as partial consideration for Franchisor’s willingness to allow Associate to engage in a business relationship with Franchisor or Franchisee using Franchisor’s Confidential Information.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and Franchisor, intending legally to be bound, agree as follows:

1. Definitions.

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

(b) “Confidential Information” means the information, not generally known to the public, in any form, relating to the Franchised Business and its operations, including all trade secrets; all knowledge, know-how, standards, processes, methods, and procedures related to the

13. Severability. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement that shall otherwise remain in full force and effect.

~~**14. Attorneys' Fees.** In any action at law or in equity arising out of, in connection with, or in relation to this Agreement, the prevailing party, as determined by the court in a final judgment or decree, shall be entitled to recover its reasonable costs and expenses (including attorneys' fees, expert witness fees, costs of investigation and proof of facts, court costs, costs and fees associated with appeals, and other litigation expenses) incurred in the prosecution or defense of any such action. If the prevailing party recovers judgment in any such action, the reasonable costs and expenses shall be included as part of the judgment.~~

1514. Miscellaneous. Due to the importance of this Agreement to Franchisor, any claim Associate has against Franchisor is a separate matter and does not entitle Associate to violate, or justify any violation of, this Agreement. Associate agrees that all the words and phrases used in this Agreement will have the same meaning as used in the Franchise Agreement or as otherwise defined herein.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written.

FRANCHISOR:

ASSOCIATE:

WINDOW WORLD, INC.

By: _____

Name: _____

Print Name: _____

Title: _____

ATTACHMENT 6 TO FRANCHISE AGREEMENT
NONDISCLOSURE AND NON-SOLICITATION AGREEMENT
(For ~~owner~~Owner spouses and domestic partners and Operations Managers)

This Nondisclosure and Non-Solicitation Agreement (“Agreement”) is made and entered into as of _____ (“Effective Date”) by and between WINDOW WORLD, INC., a North Carolina corporation (“Franchisor”) and _____ (“Associate”), who resides at _____.

A. Franchisor is engaged in the business of selling franchises for the operation of a business that markets, sells, and installs exterior remodeling products in residential and light commercial settings (“Franchised Business”). The Franchised Businesses are operated under the trademark “WINDOW WORLD” and other service marks, trademarks, and other commercial symbols (collectively, the “Marks”).

B. Franchisor has developed methods for establishing, operating and promoting Franchised Businesses pursuant to Franchisor’s Confidential Information (defined below) and such Confidential Information as may be further developed from time to time by Franchisor.

C. Franchisor and its affiliates have established substantial goodwill and an excellent reputation, which goodwill and reputation have been and will continue to be of major benefit to Franchisor.

D. Associate desires to become involved with _____ (“Franchisee”), a franchisee of Franchisor that operates a Franchised Business in the capacity of an Operations Manager of the Franchised Business, or a spouse or domestic partner of an ~~owner~~Owner of a Franchised Business, and will become privileged as to certain Confidential Information.

E. Associate and Franchisor have reached an understanding with regard to nondisclosure by Associate of Confidential Information and with respect to non-solicitation of customers and vendors. Associate agrees to the terms of this Agreement as partial consideration for Franchisor’s willingness to allow Associate to engage in a business relationship with Franchisor or Franchisee using Franchisor’s Confidential Information.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and Franchisor, intending legally to be bound, agree as follows:

1. Definitions.

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

(b) “Customer” means any person or entity to whom Franchisee provided any of its Products and Services, with whom Associate had dealings, or about whom Associate obtained or had access to Confidential Information, (i) for covenants relating to the Term, during the Term,

(b) If Associate is not a Franchisee or guarantor, the following terms apply: The laws of North Carolina (without giving effect to its conflicts of law principles) govern all matters arising under and relating to this Agreement, including torts and breach of contract. Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of North Carolina. Courts of competent jurisdiction for Wilkes County, North Carolina shall have exclusive jurisdiction over any and all such legal or equitable dispute(s) between Franchisor and Associate. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of North Carolina. Notwithstanding the foregoing, in the event that the laws of the state where Associate resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's laws shall control.

12. Severability. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement that shall otherwise remain in full force and effect.

~~**13. Attorneys' Fees.** In any action at law or in equity arising out of, in connection with, or in relation to this Agreement, the prevailing party, as determined by the court in a final judgment or decree, shall be entitled to recover its reasonable costs and expenses (including attorneys' fees, expert witness fees, costs of investigation and proof of facts, court costs, costs and fees associated with appeals, and other litigation expenses) incurred in the prosecution or defense of any such action. If the prevailing party recovers judgment in any such action, the reasonable costs and expenses shall be included as part of the judgment.~~

1413. Miscellaneous. Due to the importance of this Agreement to Franchisor, any claim Associate has against Franchisor is a separate matter and does not entitle Associate to violate, or justify any violation of, this Agreement. Associate agrees that all the words and phrases used in this Agreement will have the same meaning as used in the Franchise Agreement, or as otherwise defined herein.

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ATTACHMENT 7 TO FRANCHISE AGREEMENT
ACH/EFT Transfer Agreement and Credit Card Authorization



AUTHORIZATION TO HONOR CHECKS AND DEBITS BY AND PAYABLE TO THE
FOLLOWING PAYEE(S):

The undersigned depositor ("Franchisee" or "Payor") hereby authorizes WINDOW WORLD, INC. ("Payee") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the bank designated below ("Bank") to debit or credit such account(s) pursuant to Payee's instructions.

Name Legal Entity of Franchisee: _____
ID Number: _____
Bank: _____
Branch: _____
City: _____ State: _____ Zip Code: _____
Bank Transit/ABA Number: _____
Account Number: * _____
*To be communicated orally

This authority is to remain in full and force and effect until sixty (60) days after Payee has received written notification from Franchisee of its termination.

FRANCHISEE/PAYOR: _____

By: _____
Name: _____
Title: _____
Date: _____

INDEMNIFICATION AGREEMENT. To the above named Payee and the Bank designated:

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

1. To indemnify the Bank and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Bank in the regular course of business for the purpose of payment, including any costs or expenses reasonably in collection therewith.
2. To indemnify Payee and the Bank for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.
3. To defend at Payor's cost and expense any action which might be brought by any depositor or any other persons because of any actions taken by the Bank of Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Bank's or Payee's participation therein.

BE SURE THAT ALL INFORMATION ASKED FOR IS PROVIDED

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CREDIT CARD BILLING AUTHORIZATION FORM

<u>Client Information</u>		
<u>Franchised Business:</u>		
<u>Franchisee Entity:</u>		
<u>Designated Contact:</u>		
<u>Address:</u>		
<u>City, State, Zip:</u>		
<u>Phone:</u>		<u>Email:</u>
<u>Card Information</u>		
<u>Card Type:</u>	<u>Card Number:</u>	<u>Expires:</u>
<input type="checkbox"/> <u>American Express</u> <input type="checkbox"/> <u>Master Card</u> <input type="checkbox"/> <u>Visa</u>		/
<u>Cardholder's Name (as shown on credit card):</u>		<u>Billing Zip Code:</u>
<u>Authorized Signature:</u>		<u>Date:</u>
<u>Automatic Billing</u>		
<u>I hereby authorize Window World, Inc. to initiate charges on the credit card listed above at any time during the Initial Term of the Franchise Agreement for any reason permitted under the terms of the Franchise Agreement.</u>		
<u>Authorized Signature:</u>		<u>Date:</u>
<u>Acknowledgements</u>		
<u>The signatory acknowledges and agrees to the following:</u>		
<u>i. The amounts charged on this card are pursuant to the Franchise Agreement between Window World, Inc. and Franchisee. Franchisee and its Owners are responsible for payment in accordance with the terms of the Franchise Agreement.</u>		
<u>ii. I am an Owner of a Window World Franchisee and a duly authorized representative of the Franchised Business.</u>		
<u>iii. All information provided herein is accurate and complete.</u>		
<u>iv. I will promptly report changes in the status of this card to Andrea Scott at ascott@windowworld.com.</u>		
<u>v. I acknowledge the origination of Credit Card transactions to my account must comply with the provisions of U.S. law.</u>		
<u>vi. I will not dispute the charges made to this card by Window World, Inc. with my credit card company provided the transactions correspond to the terms indicated in this authorization form.</u>		

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EXHIBIT B-1
CURRENT FRANCHISEES
List compiled March ~~710, 2024~~ 2025

Franchise Owner	Address	Phone Number	Market Size
ALABAMA			
Jamie Hanks —Window World of Dothan — <u>Dothan</u> Jamie Hanks; Richard Howard	4332 Hartford Hwy Dothan <u>Taylor</u> , AL 36305	(334) 794-6369	Small
Melissa Edwards —Window World of <u>Central</u> <u>Alabama</u> Melissa Edwards; Mike Edwards — Central <u>Alabama</u>	135 West Valley Ave Homewood, AL 35209	(205) 916-2189	Large
Melissa Edwards —Window World of Huntsville Melissa Edwards; Mike Edwards	25154 One Aviation Way SW, Madison, AL 35756	(256) 895-3285	Medium
Henry Santelices —Window World River Region Henry Santelices	1721 Main St. Millbrook, AL 36054	(334) 396-5105	Small
Melissa Edwards —Window World of Florence (Shoals) Melissa Edwards; Mike Edwards — (Shoals)	717 Michigan Ave Muscle Shoals, AL 35661	(256) 383-8894	Small
Henry Santelices —Window World of Mobile Henry Santelices; Angela Santelices	5400 A Willis Rd. Theodore, AL 36582	(251) 665-4646	Medium
ARIZONA			
Jeff Sudol —Window World of Northern Arizona Jeff Sudol	1750 E Villa Drive, Suite H. Cottonwood, AZ 86326	(928) 649-9111	Small
Jim Ballard —Window World of Phoenix Jim Ballard; Toni Ballard	2530 West Holly St. Phoenix, AZ 85009	(602) 454-0883	Metro
Christopher Lutz —Window World of Tucson Christopher Lutz	4912 E. 22 nd St. Tucson, AZ 85711	(520) 747-1560	Large
Ko Das —Window World of Yuma Charlotte Das <u>Ko Das; Charlotte Das Langan</u>	1045 E. 21 st Street, Building A Yuma, AZ 85365	(928) 782-2430	Small
ARKANSAS			
Jodie Cerrato —Window World of Central <u>Arkansas</u> Jodie Cerrato; Zachary Black — Arkansas (formerly Little Rock)	22095 South Interstate 30 <u>Suite 800</u> <u>511 Boone Road</u> Bryant, AR 72022	(501) 316-1500	Small
Randall Kisling —Window World of Northeast <u>Arkansas</u> Arkansas <u>Randall Kisling</u>	2805 Stadium Square Jonesboro, AR 72404	(870) 910-0189	Small
Adriane Myers —Window World of the Ozarks Anton & Linda Myers <u>Darin Jackson; April</u> <u>Jackson; Jack Civa; Laura Civa</u>	5725 North Thompson St. Springdale, AR 72764	(479) 725-2450	Medium
CALIFORNIA			
Eugene Bryan —Window World of Orange <u>County</u> Eugee Bryan; Karyn Bryan — County	1534 N. State College Blvd. Anaheim, CA 92806	(714) 808-8322	Metro
Eugene Bryan —Window World of Los Angeles Eugene Bryan; Karyn Bryan	718 Arrow Grand Circle Covina, CA 91722	(310) 919-2352	Metro
Greg Deathridge —Window World of Fresno Melinda Hawks (Deceased) <u>Greg Deathridge</u>	5850 E. Shields Ave, Suite 101 Fresno, CA 93727	(559) 294-0991	Large

Franchise Owner	Address	Phone Number	Market Size
Ko Das —Window World of Riverside County Charlotte Das Ko Das; Charlotte Das Langan	11730 Sterling Avenue Riverside, CA 92503	(951) 354-2723	Large
Renate “Reni” Dillon —Window World of Greater Sacramento Gregory Todd Dillon— Sacramento ; Renate “Reni” Dillon	9777 Business Park Dr. Suite B Sacramento, CA 95827	(916) 461-8705	Metro
Eugene Bryan —Window World of San Diego Eugene Bryan; Karyn Bryan	177 Vallecitos De Oro San Marcos, CA 92069	(760) 727-2744	Metro
Ko Das —Window World of Bakersfield Charlotte Das Ko Das; Charlotte Das Langan	3154 Landco Drive #E Bakersfield, CA 93308	(661) 489-5869	Medium
***** Amber Allmon —Window World of San Bernardino Eugene & Karyn Bryan	*****This unit is not yet open. Not yet established.	(757) 439-5465	Large
COLORADO			
Seth Cohen —Window World of Grand Junction Seth Cohen; Matthew D. Cohen & Brent Maldonado	2484 Commerce Blvd. Unit #3 Grand Junction, CO 81505	(970) 250-0851	Small
Christopher Lehmkuhl —Window World of Window World of Southern Colorado Christopher Lehmkuhl; Kiersten Lehmkuhl; Dave Reed; The Dave Reed, Jr. Revocable Trust & Josh Reed	4460 Forrest Hill Rd. Colorado Springs, CO 80907	(719) 227-0189	Medium
Christina Rose —Window World of Denver Christina Rose; Rick Rose	480 E. 76 th Avenue, #5E Denver, CO 80229	(303) 574-9594	Metro
CONNECTICUT			
Anton DuPlessis —Window World of Hartford Anton DuPlessis; Christine DuPlessis	409 New State Road Manchester, CT 06042	(860) 643-4568	Large
DELAWARE			
Mike Hayman —Window World of Delmarva Nicholas Hayman	36427 Sussex Highway Delmar, DE 19940	(302) 846-2224	Medium
John Goldbeck —Window World of Northern Delaware John Goldbeck; Jeanie Goldbeck Delaware	325 Water Street Wilmington, DE 19804	(302) 508-5858	Small
FLORIDA			
Brian Tillman —Window World of Pensacola Brian Tillman	4105 Hwy 297A Cantonment, FL 32533	(850) 484-9998	Medium
Gerardo Arce —Window World of Ft. Myers Gerardo Arce; Alicia Arce	6280 Topaz Ct. 5641 Division Drive, Unit 1 Fort Myers, FL 33905 33966	(239) 245-7117	Large
Brian Wall —Window World of Northeast Florida Brian Wall	9450 Philips Hwy, Suite 7 Jacksonville, FL 32256	(904) 443-7001	Large
Brian Wall —Window World of Ocala Brian Wall	35 SW 57 th Avenue Ocala, FL 34474	(352) 690-2244	Medium
Brian Tillman —Window World of Central Florida Brian Tillman	2290 West Airport Blvd Sanford, FL 32771	(407) 389-1400	Large
Brian Tillman —Window World of Daytona Beach Brian Tillman	906 North US-1 Ormond Beach, FL 32174	(386) 763-1402	Medium

Franchise Owner	Address	Phone Number	Market Size
Corbett Procter Window World of Panama City <u>Corbett Procter; George Grimsley; James Andrew Gay &</u> <u>; Tony Benton</u>	2820 Highway 390 Panama City, FL 32405	(850) 807-7919	Small
Brian Tillman Window World of Melbourne <u>Nicole Fantozzi</u>	2298 Rockledge Blvd. Ste. 130 Rockledge, FL 32955	(321) 637-1533	Medium
Gerardo Arce Window World of Sarasota <u>Gerardo Arce; Alicia Arce</u>	6915 15th St. E, #212 <u>1249 Tallevast Road</u> Sarasota, FL 34243	(941) 896-9712	Large
Jim Roland Window World of Tampa <u>Jim Roland</u>	10741 Endeavour Way Seminole, FL 33777	(813) 386-7498	Metro
Kirk Cunningham Window World of Tallahassee Pamela Cunningham & Tallahassee <u>Kirk Cunningham; Pamela Cunningham; Wesley R. Cunningham</u>	1413 Maclay Commerce Drive Tallahassee, FL 32312	(850) 562-8800	Small
Brian Tillman Window World of West Palm Beach	3927 Westgate Avenue West Palm Beach FL 33409	(561) 684-2040	Large
Mark Collins Window World of Lakeland <u>Mark Collins; Sarah Richardson</u>	101 Industrial Blvd. West Winter Haven, FL 33880	(863) 665-7164	Medium
GEORGIA			
Stewart Huffmaster Window World of Athens <u>Stewart Huffmaster; Vickie Huffmaster</u>	1875 Commerce Road Athens, GA 30607	(706) 543-7069	Small
Andrew Saville Window World of Carrollton <u>Michael Harkins; S. Denette Harkins; Andrew Saville; Holly Saville</u>	107 Kingsbridge Dr. Carrollton, GA 30117	(770) 809-6580	Small
Andrew Saville Window World of Chattahoochee Valley <u>Andrew Saville; Holly Saville; Michael Harkins Chattahoochee Valley; S. Dennette Harkins</u>	8238 North Crossing Court Fortson, GA 31808	(706) 507-0800	Small
Window World of Middle Georgia Katherine "Katie" Ekey Window World of Middle Georgia	4557 Knight Rd 107 Pat <u>Joiner Blvd.</u> <u>Macon</u> <u>Byron, GA</u> <u>31220</u> <u>31008</u>	(478) 475-9585	Medium
Melissa Edwards Window World of North Atlanta <u>Melissa Edwards; Mike Edwards</u> <u>Atlanta</u>	2871 McCollum Pkwy <u>NW</u> Kennesaw, GA 30144	(770) 303-0757	Metro
Mark Burch Window World of the CSRA <u>Mark Burch; Mary Burch</u>	4001 Enterprise Court Martinez, GA 30907	(706) 210-2525	Medium
Christopher Sasser Window World of Savannah Gil Sasser & Greg Sasser <u>Christopher Sasser</u>	66 Columbia Dr. Pooler, GA 31322	(912) 355-5055	Medium
Jamie Hanks Window World of South Georgia <u>Jamie Hanks; Richard Howard</u>	1404 Gornto Rd. Valdosta, GA 31602	(229) 474-4500	Small
HAWAII			
Brent Maxfield Window World of Oahu <u>Brent Maxfield; Ryan Dillon</u>	905 Kalaniana'ole Hwy #5006 Kailua, HA 96734	(808) 376-7479	Medium

Franchise Owner	Address	Phone Number	Market Size
IDAHO			
William “Bill” Judy —Window World of Boise <u>William “Bill” Judy; Tina Judy; BJT Inc. jointly owned by William “Bill”; Tina Judy; Iovko “Yo” Margaritov; Toni Leone; Leone Management LLC</u>	5230 Chinden Blvd. Garden City, ID 83714	(208) 672-1287	Medium
<u>Window World of Eastern Idaho</u> <u>Charlotte Langan; Jonathan Langan</u>	<u>335 ½ S Emerson Avenue</u> <u>Shelley, ID 83274</u>	<u>(208) 932-1114</u>	<u>Small</u>
ILLINOIS			
Paul Palumbo —Window World of Bloomington <u>Paul Palumbo; Johnette Palumbo & Garreck Sakinis</u>	2501 General Electric Rd. Bloomington, IL 61704	(309) 827-5237	Small
Scott Williamson —Window World of Joliet <u>Brian Hopkins; Scott Williamson</u>	2363 Copper Ct. Crest Hill, IL 60403	(815) 729-3100	Large
Joel Slater —Window World of Western Chicago <u>Joel Slater; Jacalyn “Jackie” Rosborough</u>	4646 Western Avenue Lisle, IL 60532	(331) 903-6873	Large
Jim Lomax —Window World of Peoria <u>Jim Lomax; Jon Gillette</u>	8224 N University Street Peoria, IL 61615	(309) 698-3910	Small
Scott Williamson —Window World of Rockford <u>Scott Williamson</u>	6010 Forest Hills Road Loves Park, IL 61111	(815) 395-1333	Large
Jim Lomax —Window World of Springfield, IL <u>Jim Lomax; Jon Gillette</u>	6200 S. 2 nd Street Unit B Springfield, IL 62711	(217) 544-0400	Medium
INDIANA			
Ken Shake —Window World of South Central Indiana <u>Ken Shake; Sally Shake; Lillian Fawbush & Tom Fawbush</u>	1636 State Street Suite G Columbus, IN 47201	(812) 372-0008	Small
Joe Bush —Window World of Evansville <u>Joe Bush; Melissa Bush & Brandon Arnold</u>	4001 Vogel Rd. Evansville, IN 47715	(812) 476-4600	Medium
Michael Troutt —Window World of Fort Wayne Katlynd Wilson & Justin Wilson <u>Jeremy Chandler; Jamie Chandler</u>	2224 Contractors Way Ft. Wayne, IN 46818	(260) 483-3117	Medium
Randy Medow —Window World of Michiana <u>Randy Medow; Laura Medow & Pamela Papczynski</u>	50770 Princess Way Granger, IN 46530	(574) 277-3280	Medium
Ken Shake —Window World of Indianapolis <u>Ken Shake; Sally Shake & Jeffrey Pittenger</u>	1229 Country Club Rd. Indianapolis, IN 46234	(317) 209-0008	Large
Ken Shake —Window World of Lafayette <u>Ken Shake; Sally Shake & Stephanie Blake Pittenger Spellman</u>	523 S. Earl Ave, Suite 3 Lafayette, IN 47904	(765) 588-9207	Small
Ken Shake —Window World of Muncie <u>Ken Shake; Sally Shake & Jeffrey Pittenger</u>	3508 N. Wheeling Ave Muncie, IN 47304	(765) 281-0008	Small
Ken Shake —Window World of Terre Haute <u>Ken Shake; Sally Shake & Brandon Pittenger</u>	2225 S. 3 rd St. Terre Haute, IN 47802	(812) 872-2222	Small
Bill Adkins —Window World of Northwest Indiana <u>Bill Adkins; Niki Adkins</u>	1558 W. Lincolnway Valparaiso, IN 46385	(219) 477-2500	Medium
IOWA			
Lorri Seastrand —Window World of Davenport <u>Lorri Seastrand; Rudy Seastrand & Christy Pfeifle</u>	2406 West Kimberly Road Davenport, IA 52806	(563) 323-7313	Small

Franchise Owner	Address	Phone Number	Market Size
Heather Koenig —Window World of Des Moines <u>Heather Koenig; Paul Koenig</u>	5201 NE 14 th St. Ste. A Des Moines, IA 50313	(515) 270-9264	Medium
Heather Koenig —Window World of Cedar Rapids <u>Heather Koenig; Paul Koenig</u> Rapids	1484 Hawkeye Dr. Hiawatha, IA 52233	(319) 393-7313	Medium
<u>Window World of Mason City</u> Katherine “Katy” Showalter—Window World of Mason City	1300 ½ S. Taft Ave. Mason City, IA 50401	(641) 424-1313	Small
KANSAS			
Bryce Thompson —Window World of Wichita <u>Bruce Thompson; Danny Thompson</u>	1927 S. West St. Suite B Wichita, KS 67213	(316) 942-6400	Medium
KENTUCKY			
Phil Brooks —Window World of Bowling Green <u>Phil Brooks</u>	324 Dishman Lane Bowling Green, KY 42101	(270) 780-9600	Small
Jason Hart —Window World of London, KY <u>Jason Hart; Courtney Hart</u>	142 American Greeting Rd Corbin, KY 40701	(606) 258-1774	Small
John Oslica —Window World of the Queen City <u>John Oslica</u>	1840 Airport Exchange Blvd. Ste. 130 Erlanger, KY 41018	(859) 594-4189	Large
Jason Hart —Window World of Ohio Valley, KY <u>Jason Hart; Courtney Hart</u>	1709 North State Hwy 1 Grayson, KY 41143	(606) 473-0222	Small
Tom Fawbush —Window World of Kentuckiana <u>Tom Fawbush; Lillian Fawbush; Thomas H. Fawbush Jr. & Sarah Waskey</u>	2200 Brennen Business Ct Louisville, KY 40299	(502) 671-7777	Large
Tommy Jones —Window World of Lexington <u>Tommy Jones</u>	212 South View Dr. Nicholasville, KY 40356	(859) 887-9966	Medium
Mike Troutt —Window World of Paducah Lauren Burkeen <u>Michael Troutt; Katlynd Wilson; Justin Wilson</u>	4345 Cairo Rd. Paducah, KY 42001	(270) 443-0031	Small
Jason Hart —Window World of East KY <u>Jason Hart; Courtney Hart</u>	3535 KY Rt 321 Prestonburg, KY 41653	(606) 886-3144	Small
Tom Fawbush —Window World of Elizabethtown <u>Tom Fawbush; Lillian Fawbush; Thomas H. Fawbush Jr. & Sarah Waskey</u>	3019 Ring Road, Suite 110 Elizabethtown, KY 42701	(270) 861-8054	Small
LOUISIANA			
Luke Difuleo, III —Window World of Central Louisiana <u>Luke Difulco, III; Luke Difulco, Jr. Louisiana</u>	3200 McKeithen Drive Alexandria, LA 71303	(318) 445-3188	Small
Jim Roland —Window World of Baton Rouge <u>Jim Roland</u>	8405 Airline Highway Baton Rouge, LA 70815	(225) 706-2100	Medium
Dale Dunn —Window World of Monroe <u>Dale Dunn; Gloria Dunn; David Marmol & Wendy Sanchez</u>	2103 Tower Dr. Monroe, LA 71201	(318) 969-1243	Small
Dale Dunn —Window World of Northwest LA <u>Dale Dunn; Gloria Dunn</u>	5903 East Texas Street Bossier City, LA 71111	(318) 742-9011	Small
Jim Roland —Window World of Lafayette, LA	3148 Ambassador Caffery	(337) 234-6343	Medium

Franchise Owner	Address	Phone Number	Market Size
<u>Jim Roland</u>	Pkwy, Suite 4 Lafayette, LA 70506		
Jim Roland —Window World of New Orleans <u>Jim Roland</u>	8814 Veterans Blvd., Suite 17 Metairie, LA 70003	(504) 466-2552	Large
MAINE			
Harmel Sabourin —Window World of Southern Maine <u>Harmel Sabourin; June Benoit</u> Maine	2 Karen Drive Unit #3 Westbrook, ME 04092	(207) 747-5117	Large
MARYLAND			
Greg Deathridge —Window World of Baltimore <u>Greg Deathridge</u>	1662 Sulphur Spring Rd. Baltimore, MD 21227	(410) 242-4320	Metro
John Goldbeck —Window World of Harford <u>John Goldbeck; Jeanie Goldbeck</u>	425 North Main Street Bel Air, MD 21014	(410) 638-1111	Small
Greg Deathridge —Window World of Frederick County Melinda Hawks (Deceased) <u>CountyGreg Deathridge</u>	8415 Progress Dr. Suites A-C Frederick, MD 21701	(301) 663-0699	Medium
MASSACHUSETTS			
Timothy “Tim” Drost —Window World of Western Massachusetts Western Massachusetts <u>Timothy “Tim” Drost; Lanea Bushey; Nicholas Drost</u> <u>& Grace Drost</u>	20 Daniel Shays Hwy Belchertown, MA 01007	(413) 485-7335	Medium
Les Levy —Window World of Boston <u>Les Levy; Eric Peabody</u>	10 Wall Street, <u>Unit G</u> Burlington, MA 01803	(781) 932-4805	Metro
MICHIGAN			
Pat Moran —Window World Detroit <u>Pat Moran; Fred Moran</u> & <u>; Halim Sheena</u>	2873 Haggerty Rd. Commerce Twp, MI 48390	(248) 940-1533	Metro
Brandon VanHouten —Window World of West MI <u>Brandon VanHouten; Annie VanHouten</u>	5385 Patterson Ave SE, Suite B Kentwood, MI 49512	(616) 988-9996	Large
Brandon VanHouten —Window World of Kalamazoo <u>Brandon VanHouten; Annie VanHouten</u> Kalamazoo	10735 N 32 nd St. Richland, MI 49083	(269) 443-1561	Medium
Douglas “Doug” Denboer —Window World Mid-Mid-Michigan Michigan Matthew “Matt” Denboer & <u>; Nathan “Nate”</u> <u>Denboer; Douglas “Doug” Denboer</u> Denboer	3337 Remy Dr. Lansing, MI 48906	(517) 371-0189	Medium
MINNESOTA			
<u>Window World of Southern Minnesota</u> Katherine “Katy” Showalter— Window World of Southern Minnesota	1030 South Victory Drive Mankato, MN 56001	(507) 388-8078	Small
Terry Derosier —Window World of Twin Cities	2220 Castle Avenue E	(651) 770-5570	Metro

Franchise Owner	Address	Phone Number	Market Size
Terry Derosier	North St. Paul, MN 55109		
MISSISSIPPI			
Henry Santelices —Window World of Central Mississippi <u>Henry Santelices; Angela Santelices</u> Mississippi	199 Interstate Dr. Suite N Richland, MS 39218	(601) 957-5858	Medium
Jay Collins —Window World of Tupelo/Columbus <u>Jay Collins</u>	4979 Cliff Gookin Blvd Tupelo, MS 38801	(662) 842-5201	Medium
Henry Santelices —Window World of Southern Mississippi <u>Henry Santelices; Angela Santelices</u> Mississippi	14231 Seaway Rd. Ste E3 Gulfport, MS 39503	(228) 575-9700	Medium
MISSOURI			
Jim Lomax —Window World of St. Louis <u>Jim Lomax; Jon Gillette</u>	3600 Rider Trail South Earth City, MO 63045	(314) 993-1800	Metro
Jim Harper —Window World of Cape Girardeau <u>Mike Harper & Ernest “Tony” Harper</u>	762 Enterprise St. Cape Girardeau, MO 63703	(573) 803-1500	Small
Jim Lomax —Window World of Columbia, MO <u>Jim Lomax; Jon Gillette</u>	2313 D Industrial Drive Columbia, MO 65202	(573) 814-2600	Small
Jim Lomax —Window World of Kansas City <u>Jim Lomax; Jon Gillette</u>	16501 E Truman Rd. Independence, MO 64050	(816) 799-0820	Metro
Bryce Thompson —Window World of Springfield <u>Bryce Thompson; Danny Thompson</u>	2119 West Vista Springfield, MO 65807	(417) 877-0733	Medium
NEBRASKA			
Brad Stolz —Window World of Grand Island <u>Brad Stolz</u>	2604 W. 2 nd St. Grand Island, NE 68803	(308) 384-7393	Small
Thomas “Tom” Uhler —Window World of Lincoln <u>Thomas “Tom” Uhler; Melvin “Mel” Stuart & John Heffernan</u>	4400 N 48th St <u>5945 Cornhusker Hwy. Suite 7A</u> Lincoln, NE 68504 <u>68507</u>	(402) 464-7313	Small
Karla Frey —Window World of Northeast NE <u>Karla Frey</u>	131 W Norfolk Ave Norfolk, NE 68701	(402) 379-2042	Small
Karla Frey —Window World of Siouxland <u>Karla Frey; Angela Kruse & Brent Frey</u>	1001 Dakota Ave South Sioux City, NE 68776	(712) 276-5588	Small
Bryce Thompson —Window World of Omaha <u>Bryce Thompson; Danny Thompson</u>	8804 L St. Omaha, NE 68127	(402) 537-7313	Large
NEVADA			
Blake Richardson —Window World of Southern Nevada <u>Window World of Southern Nevada</u> <u>Blake Richardson; Jacob Drew Richardson & Joseph Grant Richardson</u>	1335 E. Sunset Road, Suite C Las Vegas, NV 89119	(702) 622-9399	Large
Ko Das —Window World of Reno Charlotte Das <u>Ko Das; Charlotte Das Langan</u>	4690 Longley Lane, Suites 8-11 Reno, NV 89502	(775) 825-7755	Medium
NEW HAMPSHIRE			
Harmel Sabourin —Window World of New	735 E. Industrial Park Dr. Unit A	(603) 935-9878	Large

Franchise Owner	Address	Phone Number	Market Size
<u>Hampshire</u> <u>Harmel Sabourin; June Benoit</u> <u>Hampshire</u>	Manchester, NH 03109		
NEW JERSEY			
Larry Goodwin Window World Garden State <u>West</u>	47 Maple Ave Flemington, NJ 08822	(908) 237-3329	Medium
West Larry Goodwin			
Perparim "Rimo" Xhambazi Window World of <u>Jersey Coast</u>	27 Northfield Ave Edison, NJ 08837	(732) 417-5700	Large
Jersey Coast Florian "Tony" Xhambazi; Perparim "Rimo" Xhambazi			
Salih Pira Window World of Atlantic City <u>Salih Pira; Blerim Pira & Burim Hasani</u>	6726 E Black Horse Pike Egg Harbor Township, NJ 08234	(609) 576-4212	Small
Perparim "Rimo" Xhambazi Window World of <u>North Jersey</u>	515 US 46 W Fairfield, NJ 07004	(908) 202-0487	Metro
North Jersey Perparim "Rimo" Xhambazi; Florian "Tony" Xhambazi			
NEW MEXICO			
Kevin Tubbs Window World of Las Cruces	250 N. Telshor Blvd Las Cruces, NM 88011	(575) 532-9390	Small
Ronald Via Window World of Albuquerque <u>Ronald Via; Karen Via; Daniel Graham & Vinette</u> <u>Graham</u>	8359 Corona Loop NE Albuquerque, NM 87113	(505) 884-4889	Large
NEW YORK			
Dave Reed Window World of the Capital Window World of the Capital District <u>Dave Reed; The David D. Reed Jr. Revocable Trust &</u> <u>Josh</u> <u>Reed</u>	1240 Central Ave Albany, NY 12205	(518) 489-0889	Medium
Manish Damani Window World of Buffalo <u>Nicholas Morreale</u>	4444 Broadway Depew, NY 14043	(716) 656-0100	Large
Manish Damani Window World of Jamestown <u>Nicholas Morreale</u>	2640 S Work St. Ste 101 Falconer, NY 14733	(716) 763-0025	Small
Les Levy Window World of Long Island <u>Les Levy; Aaron Levy & Matthew Levy</u>	33 Hempstead Turnpike Farmingdale, NY 11735	(516) 377-3500	Metro
Mike Hoffmeier Window World of Binghamton <u>Jason Hensley</u>	753 Harry L Drive Johnson City, NY 13790	(607) 797-3234	Medium
Manish Damani Window World of Rochester <u>Nicholas Morreale</u>	110 Halstead Street, Door #2 Rochester, NY 14610	(585) 288-8888	Large
Manish Damani Window World of Syracuse <u>Nicholas Morreale</u>	954 Spencer Street Syracuse, NY 13204	(315) 295-8888	Medium
Les Levy Window World Westchester Richard "Rich" Allen	134 Marbledale Road Tuckahoe, NY 10707	(914) 593-7180 369-15 47	Metro

Franchise Owner	Address	Phone Number	Market Size
Kimberly Mossey —Window World of the <u>Hudson Valley</u> Hudson Valley Kimberly Mossey —	1315 Route 9 Suite 201 Wappingers Falls, NY 12590	(845) 595-8200	Large
NORTH CAROLINA			
Josh Watson —Window World of Raleigh <u>Josh Watson</u> ; Victoria Watson; Mike Troutt; Randall Brian Wilder; John Austin Bell- & ; Bridgett Mathis	1020 Investment Blvd Apex, NC 27502	(919) 212-6598	Large
Darren Kennelly —Window World of Asheville <u>Darren Kennelly</u> ; <u>Michelle Kennelly</u> - & ; George Triplett	35 Loop Road Arden, NC 28704	(828) 684-6334	Medium
Tim Waddell —World of Windows of the <u>Carolinas</u> Carolinas <u>Tim Waddell</u> ; Susan Waddell; Ashley Fernside- & ; Trevor Fernside	9100 A Perimeter Woods Drive Charlotte, NC 28216	(704) 921-9898	Metro
Tim Waddell —Window World Catawba Valley <u>Tim Waddell</u> ; Susan Waddell; Ashley Fernside- & ; Trevor Fernside	950 Tate Blvd. Suite 105 Hickory, NC 28602	(828) 324-0307	Small
Matt Manzella —Window World of Rocky Mount <u>Matt Manzella</u> ; Shannon Manzella	1309 S Wesleyan Blvd Rocky Mount, NC 27803	(252) 207-0600	Small
Josh Watson —Window World of Fayetteville <u>Josh Watson</u> ; Victoria Watson; Mike Troutt; Randall Brian Wilder; John Austin Bell- & ; Bridgett Mathis	515 N Bragg Boulevard Spring Lake, NC 28390	(910) 436-2966	Medium
Darren Kennelly —Window World of the Blue Ridge Ridge <u>Darren Kennelly</u> ; Shannon Church- & ; Jamie Church	1802 River Street Wilkesboro, NC 28697	(336) 838-9393	Small
Joseph Pollard —Window World of the Port City <u>Joseph Pollard</u>	<u>9220 Industrial Blvd NE</u> 6500 Windmill Way, Suite B <u>Wilmington</u> <u>Leland, NC</u> 28405 <u>28451</u>	(910) 791-1919	Medium
Darren Kennelly —Window World of the Triad <u>Michelle Kennelly</u> ; <u>Darren Kennelly</u>	3002 Trenwest Drive Winston-Salem, NC 27103	(336) 765-0765	Large
Martin Parker —Window World of Eastern <u>Carolina</u> Carolina <u>Martin Parker</u> ; Brenda Parker	764 W Firetower Rd., Suites 101-107 Winterville, NC 28590	(252) 689-8889	Medium
NORTH DAKOTA			
Carter Broer —Window World of Fargo <u>Carter Broer</u> ; Melissa Broer; Bronson Broer- & ; Taryn	4331 12 th Ave N. Fargo, ND 58102	(701) 526-4545	Small

Franchise Owner	Address	Phone Number	Market Size
Broer			
OHIO			
Pat Moran —Window World of Akron-Canton <u>Pat Moran; Fred Moran</u>	2424 Gilchrist Rd. Akron, OH 44305	(330) 733-7940	Large
Pat Moran —Window World of Youngstown <u>Pat Moran; Fred Moran</u>	8070 Southern Blvd. Boardman, OH 44512	(330) 726-0200	Medium
Pat Moran —Window World of Northern Ohio <u>Pat Moran; Angie Moran; Fred Moran; Lucy Moran</u> (Deceased) & Amanda “Mandi” Moran Fluck	5350 Transportation Blvd. Suite 7 Garfield Heights, OH 44125	(216) 447-0448	Metro
Jeffrey Shumate —Window World of Greater <u>Columbus</u> <u>Jeffrey Shumate; Olivia Slonaker</u> <u>Columbus</u>	3670 Parkway Lane, Suite K Hilliard, OH 43026	(614) 527-8000	Metro
Jeffrey Shumate —Window World of Dayton <u>Jeffrey Shumate</u>	3050 Springboro Rd. West Moraine, OH 45439	(937) 299-2222	Large
Matt Cannon —Window World of the Heartland <u>Matt Cannon; Miriam Cannon</u>	127 North Kohler Road Orrville, OH 44667	(330) 684-1444	Medium
Pat Moran —Window World of Toledo <u>Pat Moran; Fred Moran</u>	562 South Reynolds Rd. Unit 1 Toledo, OH 43615	(419) 887-8800	Medium
OKLAHOMA			
Kevin Baldwin —Window World of Oklahoma <u>City</u> <u>Kevin Baldwin; Robbi Baldwin</u> <u>City</u>	3408 South Meridian Ave. Oklahoma City, OK 73119	(405) 702-6900	Large
Benjamin Beeler —Window World of Tulsa <u>Benjamin Beeler; Benjamin Beeler Trustee of the Beeler</u> <u>Revocable</u> Trust; Veronica Beeler; Veronica Beeler Trustee Of the Beeler Revocable Trust; Michael Shawn Goodman; Michael Shawn Goodman Trustee of The Michael Shawn Goodman Living Trust &; Darin Jackson	6500 E. 44th St. <u>5443 South 108th East Ave. Ste.</u> <u>175</u> Tulsa, OK 74145 <u>74146</u>	(918) 994-6400	Medium
PENNSYLVANIA			
Chad Shirey —Window World of K.I.B.(Butler) <u>Chad Shirey; Shanelle Shirey; Jonathan Kurtonick &;</u> <u>Matt</u> <u>George</u>	1617 North Main Ext. Butler, PA 16001	(724) 256-5660	Small
Brandon Moyer —Window World of Lehigh <u>Valley</u> <u>Brandon Moyer; Melissa Moyer</u> <u>Valley</u>	3220 Mauch Chunk Road Coplay, PA 18037	(610) 432-6878	Large
Brian D. Shirey —Window World of Dubois, PA <u>Brian D. Shirey; Chad Shirey &; Matt George</u>	9 Industrial Drive Dubois, PA 15801	(814) 503-8425 <u>503-84</u> <u>26</u>	Small
Matt George —Window World of Altoona <u>Matt George; Christian Harr &; Paul Myers</u>	114 Vision Drive Duncansville, PA 16635	(814) 693-0133	Small
Mike Hoffmeier —Window World of Wyoming <u>Valley</u> <u>Mike Hoffmeier; Tait D. M. Hoffmeier</u> <u>Valley</u>	308 Lincoln Street Duryea, PA 18642	(570) 471-3262	Medium
Rich Ford —Window World of	219 N Market Street Elizabethtown, PA 17022	(717) 394-9401	Medium

Franchise Owner	Address	Phone Number	Market Size
Lancaster Lancaster-Lebanon Rich Ford; Angell Ford Lebanon			
Larry Temple Window World of Northwestern Pennsylvania Pennsylvania Larry Temple	642 West 26 th Street Erie, PA 16508	(814) 838-2770	Small
Jacob Echevarria Window World of Philadelphia Jacob Echevarria; James Layden, Jr. Philadelphia	253 Horsham Road Horsham, PA 19044	(215) 395-1608	Metro
Chad Shirey Window World of Mifflinburg Chad Shirey; Stephen George	170 East Walnut Street Mifflinburg, PA 17844	(570) 832-4622	Small
Jason Bottiger Window World of GSV Jason Bottiger; Cody Bottiger; Chad Shirey & Matt George	5297 Lycoming Mall Dr Montoursville, PA 17754	(570) 584-0280	Small
Pat Moran Window World of Pittsburgh Pat Moran; Fred Moran	4700 Campbells Run Road Pittsburgh, PA 15205	(412) 787-6000	Metro
Matthew Livingood Window World of South Window World of South Central PA and Northwest MD Matthew Livingood; Matt George & Chad Shirey	137 Alisa St. Somerset, PA 15501	(814) 444-0189	Small
Rich Ford Window World of Central PA Rich Ford; Angell Ford	4370 West Market Street York, PA 17408	(717) 792-2322	Large
RHODE ISLAND			
John Schumer Window World of Rhode Island John Schumer; Karen Schumer & Tiffany Schumer	380 Jefferson Blvd Warwick, RI 02886	(401) 921-6693	Large
SOUTH CAROLINA			
Gary Williams Window World of Upstate Gary Williams; Teresa Williams & Anna Williams	2161 Ridge Rd Unit A Greenville, SC 29607	(864) 236-0411	Large
Gary Williams Window World of the Lowcountry Lowcountry Gary Williams; Teresa Williams; Brad Ala & Manda Ala	273 Treeland Drive Ladson, SC 29456	(843) 579-0706	Medium
Terry Sanford Window World of the Midlands Terry Sanford; Timi McCorvey	140 Centrum Dr Irmo, SC 29063	(803) 750-0066	Medium
Scott Dehollander Window World of Myrtle Beach Scott Dehollander; Ronda Dehollander Beach	4655-A Hwy 17 Bypass S Myrtle Beach, SC 29577	(843) 445-9921	Small
SOUTH DAKOTA			
Thomas "Tom" Uhlir Window World of Sioux Falls Falls Thomas "Tom" Uhlir; Melvin "Mel" Stuart & Jeff Thompson	1508 West 3 rd Street Sioux Falls, SD 57104	(605) 373-1100	Small
TENNESSEE			

Franchise Owner	Address	Phone Number	Market Size
Eric Anderson —Window World of Chattanooga <u>Eric Anderson; Kim Anderson</u>	3769 Powers Court Chattanooga, TN 37416	(423) 296-0866	Medium
Michael Hoover —Window World of Clarksville <u>Michael Hoover</u>	313 N. Riverside Dr. Clarksville, TN 37040	(931) 802-6969	Small
Jim Harper —Window World of Jackson <u>Jim Harper</u>	63 Riverport Drive Jackson, TN 38301	(731) 664-9090	Small
Bobby Pollard —Window World of Tri-Cities <u>Bobby Pollard; Sonya Pollard</u>	951 Blountville Hwy Bristol, TN 37620	(423) 212-2573	Medium
Bobby Pollard —Window World of Knoxville <u>Bobby Pollard; Kodi Dane Kirkendall & Jason David Pugh</u>	1917 Old Callahan Road Knoxville, TN 37912	(865) 938-0314	Large
Kelly Griffin —Window World of Memphis <u>Kelly Griffin</u>	4899 Summer Ave. Ste 104 Memphis, TN 38122	(901) 684-6670	Large
Josh Watson —Window World of Murfreesboro <u>Josh Watson; George “Dee” Dortch; RuShell “Shelly” Dortch & Bridgett Mathis</u>	313 Southpointe Court Murfreesboro, TN 37130	(615) 848-7400	Medium
Daryl Price —Window World of Middle Tennessee <u>Daryl Price; Jennifer Price</u> <u>Tennessee</u>	1940 Elm Hill Pike Nashville, TN 37210	(615) 868-7400	Large
TEXAS			
Seth Cohen —Window World of Austin <u>Seth Cohen; Matthew “Matt” D. Cohen</u>	5812 Trade Center Drive Suite 300 Austin, TX 78744	(512) 383-1222	Large
Martin Bomba —Window World of Coastal Bend <u>Martin Bomba; Deborah Bomba</u>	5511 Kostoryz Road Corpus Christi, TX 78415	(361) 991-4189	Small
Kevin Tubbs —Window World of Southwest Texas <u>Texas</u>	4800 North Mesa St. El Paso, TX 79912	(915) 533-8227	Medium
Jim Roland —Window World of Fort Worth <u>Jim Roland</u>	2520 N. Great SW Pkway, Suite 100 Grand Prairie, TX 75050	(972) 623-9998	Metro
Jim Roland —Window World of Houston <u>Jim Roland</u>	10540 Bissonnet Street Unit 190 Houston, TX 77099	(281) 582-6527	Metro
<u>Window World of Laredo, TX</u> <u>Adrian Cadena; Andres Cadena; Ramiro Ramirez</u>	<u>201 West Hillside Road, Ste. 4</u> <u>Laredo, TX</u>	<u>(956) 568-0244</u>	<u>Small</u>
Rodney Martin —Window World of Lubbock <u>Rodney Martin; Timothy Ehrman</u>	5004 Frankford Avenue, Suite 600 Lubbock, TX 79424	(806) 799-1545	Small
Gladys Flores —Window World of Midland/ <u>Odessa</u> <u>Odessa</u> <u>Gladys Flores</u>	4309 South County Road 1300 Odessa, TX 79765	(432) 563-0501	Small
Jim Roland —Window World of Dallas <u>Jim Roland</u>	600 N Coit Rd. Richardson, TX 75080	(972) 623-9998	Metro
Martin Bomba —Window World of San Antonio <u>Martin Bomba; Deborah Bomba</u>	5238 Evers Road San Antonio, TX 78238	(210) 767-0995	Large
Jack Civa —Window World of Waco <u>Jack Civa; Laura Civa</u>	921 Lake Air Drive, Suite A	(254) 751-0008	Medium

Franchise Owner	Address	Phone Number	Market Size
	Waco, TX 76710		
Todd Lynd —Window World of Northeast Texas <u>Todd Lynd; Gina Lynd</u>	9750 FM 346 East Whitehouse, TX 75791	(903) 561-1110	Medium
Dale Dunn —Window World of Texarkana <u>Dale Dunn; Gloria “Sol” Dunn</u>	6223 Mall Dr. Suite A Nash, TX 75569	(903) 306-0614	Small
Gerardo Arce —Window World Rio Grande Valley <u>Gabriel Cortez</u>	1200 E Hackberry, Suite F McAllen, TX 78501	(956) 468-4200	Large
UTAH			
Doug Llewellyn —Window World Utah <u>Kathy Llewellyn; Jason D. Davis, Zachary S. Davis, Brandi M. Gonzales, Natalie M. Perkins</u>	4995 S. Commerce Drive Murray, UT 84107	(801) 281-8111	Large
VERMONT			
Deborah J. Schortmann —Window World of the <u>Green Mountains</u> Green Mountains <u>Deborah J. Schortmann; Zachary Schortmann</u>	82 Ethan Allen Drive, Unit 5 South Burlington, VT 05403	(802) 846-7622	Small
VIRGINIA			
Greg Deathridge — Window World of Washington <u>Window World of Washington D.C.</u> Melinda Hawks (Deceased) <u>Greg Deathridge</u>	4116 Walney Road, Suite J Chantilly, VA 20151	(703) 378-7999	Metro
Katie Duvall —Window World of Fredericksburg <u>Katie Duvall; Raymond Duvall IV</u>	10908 Courthouse Road, Suite 100 Fredericksburg, VA 22408	(540) 834-4244	Small
Matt Conley —Window World of Richmond <u>Matt Conley</u>	9111 Midlothian Turnpike Suite 400 Richmond, VA 23235	(804) 674-4490	Large
James L. Eller —Window World of Roanoke <u>James L. Eller; Jamie W. Eller</u>	6490 Commonwealth Dr. Roanoke, VA 24018	(540) 375-5045	Medium
Dave Reed —Window World of Tidewater <u>Dave Reed; The David D. Reed Jr. Revocable Trust; Taunia Reed; The Taunia Reed Revocable Trust; Josh Reed & Tara Reed</u>	2970 Virginia Beach Blvd Virginia Beach, VA 23452	(757) 518-2998	Large
Greg Deathridge — Window World of Central <u>Window World of Central Valley (Augusta County)</u> Melinda Hawks (Deceased) <u>Greg Deathridge</u>	801 D West Broad Street Waynesboro, VA 22980	(540) 946-0770	Small
Greg Deathridge —Window World of Winchester Melinda Hawks (Deceased) <u>Greg Deathridge</u>	210 Prosperity Drive, Suite C and D Winchester, VA 22602	(540) 722-4014	Small
David Cornett —Window World of Southwest <u>Virginia</u> Virginia <u>David Cornett; Sherry Cornett; Adam Cornett & Aaron Cornett</u>	565 East Main Street Wytheville, VA 24382	(276) 228-3195	Small
WASHINGTON			
Aaron Anekner —Window World of North Puget <u>Sound</u>	21718 66 th Ave W, Ste 200 Mountlake Terrace, WA 98043	(425) 265-0101	Large

Franchise Owner	Address	Phone Number	Market Size
Sound Aaron Anckner			
WEST VIRGINIA			
Leeanna Burnette —Window World of Beckley <u>Leeanna Burnette</u>	624 Stanaford Road Beckley, WV 25801	(304) 252-7494	Small
Mary Morris —Window World of Fairmont <u>Mary Morris; Caitlyn Hughes</u>	36 Sweeps Run Road Fairmont, WV 26554	(304) 366-2516	Small
Mary Morris —Window World of Kanawha <u>Mary Morris; Caitlyn Hughes</u>	2854 Winfield Road St. Albans, WV 25177	(304) 755-3224	Medium
Mary Morris —Window World of Parkersburg <u>Mary Morris; Caitlyn Hughes</u>	2399 Rosemar Rd. Vienna, WV 26105	(877) 295-4405	Small
Pat Moran —Window World of the Upper Ohio Valley <u>Valley</u> <u>Pat Moran; Fred Moran & Patrick Moran</u>	730 Harmon Creek Road Weirton, WV 26062	(740) 346-2200	Small
WISCONSIN			
DeAnn Heinz —Window World of Chippewa Valley <u>DeAnn Heinz; Tim Heinz</u> <u>Valley</u>	5704 Arndt Lane Eau Claire, WI 54701	(715) 552-1890	Small
Michael Kuhl —Window World of Fond du Lac <u>Michael Kuhl; Marvin E. Gahagan, III</u>	235 Morris St Fond du Lac, WI 54935	(920) 923-4189	Medium
Frances Gantner —Window World of Southeastern WI <u>WI; Garry Gantner</u> <u>WI; Frances Gantner</u>	W188 N10707 Maple Rd. Germantown, WI 53022	(262) 703-9500	Large
Arthur Lane —Window World of Green Bay <u>Arthur Lane</u>	969 Goddard Way Green Bay, WI 54311	(920) 321-0421	Medium
Preston D. Sandblom —Window World of Madison <u>Preston D. Sandblom; Lisa Sandblom</u> <u>Madison</u>	202 Regas Rd. Madison, WI 53714	(608) 268-9040	Medium
Eldon Jared Heinz —Window World of LaCrosse <u>Eldon Jared Heinz</u>	1001 2 nd Ave SW Onalaska, WI 54603	(608) 519-3230	Small
Kathy Hahn —Window World of Wausau <u>Kathy Hahn</u>	399 River Drive Wausau, WI 54403	(715) 849-8500	Small

EXHIBIT B-2
FORMER FRANCHISEES

These franchisees either had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the most recently completed fiscal year or have not communicated with us within 10 weeks prior to the FDD issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

The following franchisees ~~closed~~ had their franchises ~~during 2023~~ terminated in 2025:

Franchisee's Name	Franchisee's Current Business or Last Known Home Address	Franchisee's Current Business or Last Known Home Telephone Number
<u>Mike Hayman</u> Jim Moquin and Tamela Moquin & Jon Moquin <u>Nicholas Hayman</u>	Traverse City, MI & Kalamazoo, MI <u>Washington, D.C.</u>	Jim: 231-631-0602 <u>Mike: 202-345-4790</u> Tamela Nick: Unknown <u>202-256-3308</u> Jon: 231-642-0125

The following franchisees had their franchises terminated or reacquired in 2024:

Franchisee's Name	Franchisee's Current Business or Last Known Home Address	Franchisee's Current Business or Last Known Home Telephone Number
<u>Brian Tillman</u>	<u>Orlando, FL</u>	<u>407- 383-9693</u>
<u>Kevin Tubbs (Las Cruces, NM)</u> <u>(Franchisor affiliate acquired business through assumption of certain debts)</u>	<u>Santa Teresa, NM</u>	<u>915-525-4250</u>
<u>Kevin Tubbs (Southwest TX)</u> <u>(Franchisor affiliate acquired business through assumption of certain debts)</u>	<u>Santa Teresa, NM</u>	<u>915-525-4250</u>
<u>Amber Allmon</u> <u>Eugene Bryan; Karyn Bryan</u> <u>(San Bernardino, CA)</u> <u>(termination prior to opening)</u>	<u>Rancho Cucamonga, CA</u> <u>Carlsbad, CA</u>	<u>Eugene: 757-439-5465</u> <u>Karyn: 757-449-7315</u> <u>Amber: 518-429-1235</u>

The following franchisees transferred their franchises during ~~2023~~ 2024:

Franchisee's Name	Franchisee's Current Business or Last Known Home Address	Franchisee's Current Business or Last Known Home Telephone Number	Transfer Date
<u>Anton Myers</u> <u>Linda Myers</u> <u>Adriane Myers</u> <u>Mike Davis</u> (Ozarks, AR transfer)	<u>Fond Du Lac,</u> <u>WI</u> <u>Lowell, AR</u>	<u>Anton: 479-629-5493</u> <u>Linda: 479-221-5390</u> <u>414-406-2357</u> <u>Adriane:</u> <u>479-629-0938</u>	<u>January</u> <u>2023</u> <u>September</u> <u>2024</u>
<u>Brian Tillman</u> <u>Mike Davis</u> (Melbourne, FL transfer)	<u>Fond Du Lac,</u> <u>WI</u> <u>Orlando, FL</u>	<u>414-406-2357</u> <u>407-383-</u> <u>9693</u>	<u>January</u> <u>2023</u> <u>September</u> <u>2024</u>
<u>Kirk Cunningham</u> <u>Michael</u> <u>Troutt</u> <u>Katlynd Wilson</u> <u>Justin Wilson</u> <u>Pamela Cunningham</u> (Fort Wayne, IN transfer)	<u>Tallahassee</u> <u>Pad</u> <u>ucah, FL</u> <u>KY</u>	<u>Kirk:</u> <u>850-251-3876</u> <u>Mike:</u> <u>270-535-9872</u> <u>Katlynd: 260-710-6172</u> <u>Pam:</u> <u>850-528-8727</u> <u>Justin:</u> <u>260-710-6173</u>	<u>March 2023</u> <u>July</u> <u>2024</u>
<u>Betty Morrell</u> <u>Michael</u> <u>Hoffmeier</u> <u>David Morrell</u> (Deceased)(Binghampton, NY transfer)	<u>Odessa</u> <u>Dalton,</u> <u>TX</u> <u>PA</u>	<u>Betty: 432-250-0220</u> <u>David:</u> <u>432-559-8099</u> <u>330-351-</u> <u>9034</u>	<u>June 2023</u> <u>March</u> <u>2024</u>
<u>Mark Kingsbury</u> <u>Manish</u> <u>Damani</u> (Buffalo, NY transfer)	<u>Cantonsville</u> <u>Pitt</u> <u>sford, MD</u> <u>NY</u>	<u>443-829-0969</u> <u>585-202-</u> <u>1078</u>	<u>August</u> <u>2023</u> <u>December</u> <u>2024</u>
<u>Mark Shepherd</u> <u>Claudia Shepherd</u> <u>Manish</u> <u>Damani</u> (Jamestown, NY transfer)	<u>Knoxville</u> <u>Pittsf</u> <u>ord, TN</u> <u>NY</u>	<u>Mark: 865-405-8163</u> <u>Claudia:</u> <u>865-385-4699</u> <u>585-202-</u> <u>1078</u>	<u>November</u> <u>2023</u> <u>December</u> <u>2024</u>
<u>Manish Damani</u> (Rochester, NY transfer)	<u>Pittsford, NY</u>	<u>585-202-1078</u>	<u>December 2024</u>
<u>Manish Damani</u> (Syracuse, NY transfer)	<u>Pittsford, NY</u>	<u>585-202-1078</u>	<u>December 2024</u>

We have communicated with all of our franchisees within the ten (10) weeks prior to the date of this disclosure document.

EXHIBIT C
FINANCIAL STATEMENTS

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

(Modified graphics)

Accrual Basis

WINDOW WORLD INC

Balance Sheet

As of November 30, 2024

Nov 30, 24

ASSETS

Current Assets

Checking/Savings

1006 - Petty Cash	200.00
1026 - Pinnacle Checking	3,819,842.47
1030 - Vanguard MM Account	55,514,256.91

Total Checking/Savings 59,334,299.38

Accounts Receivable

1100 - Accounts Receivable	2,744,485.55
1101 - Marketing Fund Receivable	1,375,000.00
1102 - Reserve for Doubtful Accounts	-10,000.00

Total Accounts Receivable 4,109,485.55

Other Current Assets

1150 - Prepaid Expenses	
1150-1 - Prepaid Insurance	145,618.85
1150-2 - Prepaid Marketing	211,007.53
1150 - Prepaid Expenses - Other	743,655.65

Total 1150 - Prepaid Expenses 1,100,282.03

Total Other Current Assets 1,100,282.03

Total Current Assets 64,544,066.96

Fixed Assets

1202 - Leasehold Improvements All

1218 - Hanger Leasehold Improvement	208,972.52
1219 - Leasehold Improvements	4,459,205.18

Total 1202 - Leasehold Improvements All 4,668,177.70

1222 - Furniture & Equipment

1200 - Office Equipment	52,409.94
1210 - Electronic Equipment	9,498.94
1215 - Office Furniture	193,885.74
1217 - Furniture & Fixtures	393,416.66
1220 - Computer Equipment	385,833.41
1222 - Furniture & Equipment - Other	2,811.48

Total 1222 - Furniture & Equipment 1,037,856.17

1236 - Vehicles

1230 - Company Cars	1,191,684.57
1231 - Non Auto Vehicle	110,920.59
1232 - Race Car/ Show Car	587,597.47

Total 1236 - Vehicles 1,890,202.63

1241 - Citation Excel Airplane 8,697,845.54

1245 - 360 Software Development 509,944.13

1300 - Accumulated Depreciation -12,998,876.00

Total Fixed Assets 3,805,150.17

Other Assets

(Modified graphics)

Accrual Basis

WINDOW WORLD INC

Balance Sheet

As of November 30, 2024

Window World, Inc.

Financial Statements with

Independent Auditor's Report

For the Years Ended December 31, 2024, 2023, and 2022

1400 - Due From/To Related Parties					
1401 - Due From/To WW Holdings, Inc.					
1402 - Due From/To WW Int'l, LLC			492,442.50		
1403 - Due From/To Holdings Invest. I			882,074.87		
1404 - Due From/To WW of Boston, LLC			143,985.00		
1406 - Due From/To Perfect Invest., LLC			175.00		
1408 - Due From/To WW Mgmt Serv, LLC			446,444.37		
1409 - Due From/To WW Technologies LLC			84,985.19		
1400 - Due From/To Related Parties - Other			-54,358.53		
Total 1400 - Due From/To Related Parties			865,264.53		
1530 - Loans to Prior Shareholders					
1531 - Loans to Prior Shareholders			1,487,751.74		
Total 1530 - Loans to Prior Shareholders			1,487,751.74		
1800 - Right-of-Use Assets			559,451.51		
Total Other Assets			2,912,467.78		
TOTAL ASSETS			71,261,684.91		
LIABILITIES & EQUITY					
Liabilities					
Current Liabilities					
Accounts Payable					
2000 - Accounts Payable			428,922.05		
Total Accounts Payable			428,922.05		
Other Current Liabilities					
2100 - Payroll Liabilities			4,870.51		
2104 - Franchise Fee Liab. - Current			102,012.00		
2105 - WW Care's Fines Escrow			6,000.00		
2360 - Operating Lease Liab-Current			373,903.94		
Total Other Current Liabilities			486,786.45		
Total Current Liabilities			915,708.50		
Long Term Liabilities					
2309 - Franchise Fee Liab - Long Term			624,428.01		
2351 - Deferred Retention Income			2,083,333.37		
2365 - Operating Lease Liab-Long Term			185,547.57		
Total Long Term Liabilities			2,893,308.95		
Total Liabilities			3,809,017.45		
Equity					
3055 - Tammy Whitworth Draws			-17,279,546.05		
3800 - Common Stock			100.00		
3820 - Paid In Capital			10,000.00		
3900 - Retained Earnings			67,390,388.39		
Net Income			17,331,725.12		
Total Equity			67,452,667.46		
TOTAL LIABILITIES & EQUITY			71,261,684.91		

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(Modified graphics)

Accrual Basis

WINDOW WORLD INC

Profit & Loss
RANDY NEAL BLACKBURN, P.L.L.C.
January through November 2024
CERTIFIED PUBLIC ACCOUNTANT
CERTIFIED VALUATION ANALYST Jan - Nov 24



Ordinary Income/Expense

Income

4000 - Sales

4200 - Franchise Income

4201 - Caulk

4202 - Coll/Siding Royalty

To the Board of Directors and Shareholder
of Window World, Inc.

42021 - AMI Siding

42022 - Mastlic Siding

Opinion

Total 4202 - Coll/Siding Royalty

We have audited the accompanying financial statements of Window World, Inc. (a North Carolina corporation), which comprise the consolidated balance sheet as of December 31, 2024, 2023, and 2022, and the related consolidated statements of income, cash flows, and equity for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Window World, Inc. as of December 31, 2024, 2023, and 2022, and the consolidated results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Window World, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Window World, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Window World, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, and evaluate the overall presentation of the financial statements.

Total 4200 - Franchise Income

MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS/NC ASSOC. OF CERTIFIED PUBLIC ACCOUNTANTS/
NATIONAL ASSOCIATION OF CERTIFIED VALUATION ANALYSTS

(Modified graphics)

WORLDWIDE
Accrual Basis

WINDOW WORLD INC

Profit & Loss

January through November 2024

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Window World Inc's ability to continue as a going concern for a reasonable period of time.

We are required to comply with the standards with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Information Included in the Franchise Disclosure Document

Management is responsible for the other information included in the Franchise Disclosure Document. The other information comprises the information included in the Franchise Disclosure Document but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or a conclusion on the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Gross Profit

37,381,706.39

Randy Neal Blackburn, PLLC
Randy Neal Blackburn, PLLC

Randy Neal Blackburn, PLLC

Greensboro, NC

March 21, 2025

5100 - Airplane Expenses	
5103 - Airplane Insurance	32,932.00
5104 - Airplane Fuel	105,727.94
5105 - Airplane Supplies	661.66
5107 - Charts	4,703.56
5108 - Hangar Expense	
5108-1 - Hangar Utilities	5,046.63
5108-2 - Hangar Rent	33,000.00
Total 5108 - Hangar Expense	38,046.63
5109 - Landing/Ramp Fees	256.10
5110 - Maintenance	146,250.67
5111 - Pilots Subcontractors	3,250.00
5112 - Pilot Safety Class	30,790.00
5113 - Pilot Wages	264,000.00
5114 - Pilot Wages Bonus	6,000.00
5115 - Property Tax	29,520.39
Total 5100 - Airplane Expenses	662,138.95
5200 - Corporate Housing	
5202 - Seawatch Condo	92,502.13
5205 - Senior Mgmt Condos	34,771.67
Total 5200 - Corporate Housing	127,273.80
5300 - Insurance	
5301 - Automobile Insurance	5,265.90
5302 - Dental Insurance	87,274.56
5304 - Hospitalization Insurance	470,469.19
5305 - Liability Insurance	178,382.91
5307 - Work Comp	16,411.00
Total 5300 - Insurance	757,803.56
5500 - Payroll Expenses	
5501 - Administrative Wages	179,057.15
5502 - Administrative Wages Bonus	12,000.00

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(Modified graphics)

01/13/20
Accrual Basis

WINDOW WORLD, INC
Consolidated Balance Sheets
Profit & Loss

January through November 2024

For the Year Ended:

		Jan - Nov 24	12/31/2023	12/31/2022
Current Assets	5503 - Executive Wages	12,312,955		
Cash	5504 - Executive Wages Bonus	\$ 61,485,700	\$ 54,010,422	\$ 40,485,042
Accounts Receivable	5505 - Payroll Taxes for Credit Losses	7,210,045	6,691,744	5,809,736
Prepaid Expenses	5508 - 401K Expense	1,062,426	848,382	753,673
Total Current Assets	5509 - Admin Fees - 401k	70,257,700	61,550,548	47,048,451
Fixed Assets	Total 5500 - Payroll Expenses	2,089,873.76		
Airplane	5600 - Taxes	8,697,846	8,697,846	8,697,846
CRM Software	5601 - Property Taxes	509,944	509,944	509,944
Furniture & Equipment	5602 - State Franchise Tax & Fees	1,012,002.29	1,003,908	982,174
Company Vehicles & Showcars	5603 - Other	1,890,202	1,890,202	1,749,243
Building & Improvements		4,668,178	4,668,178	4,630,487
Less: Accumulated Depreciation		(13,424,003)	(12,998,876)	(12,430,406)
Net Fixed Assets	Total 5600 - Taxes	3,324,134	3,771,202	4,139,288
Other Assets	5700 - Travel & Ent	59,600.42		
Due from Related Companies		341,445	329,494	235,536
Loans to Prior Shareholders	5702 - Lodging	1,489,007	1,487,752	1,487,752
Operating Lease Right-of-Use Assets	5703 - Meals	115,911	559,452	841,051
360 Software Rights	5704 - Travel	100,000	100,000	100,000
Accumulated Amortization		(10,000.00)	(39,167)	(29,167)
Total Other Assets	Total 5700 - Travel & Ent	1,205,617.99	2,437,531	2,635,172
Total Assets	5800 - Corporate Headquarters	\$ 75,577,775	\$ 67,759,281	\$ 53,822,911
Liabilities	5801 - Breakroom Supplies	36,936.58		
Current Liabilities	5803 - Building Repairs	56,592.13		
Accounts Payable	5804 - Building Supplies	\$ 91,643.20	\$ 919,129	\$ 1,281,903
Accrued Expenses	5805 - Flowers	63,683	21,833	15,092
Window World Card Prepaid Escrow	5806 - General Expn	2,602.66	-	-
Deferred Franchise Fees - Current Portion	5807 - Landscaping	120,036.69	102,012	103,012
Deferred WW Tech Start-Up Fees - Current Portion	5808 - Office Supplies	6,610	3,964	2,530
Operating Lease Liabilities - Current Portion	5810 - Rent Corporate Headquarters	20,154.26	443,541	408,723
Stock Redemption Loan - Current Portion	5811 - Support Services Wages	39,210	-	1,056,758
Total Current Liabilities	5812 - Support Services Wages Bonus	39,631.49	1,490,479	2,868,018
Long Term Liabilities	5813 - Support Services Wages	1,305,007.55		
Deferred Franchise Fees - Net of Current Portion	5814 - Support Services Wages Bonus	263,032.16		
Deferred WW Tech Start-Up Fees - Net of Current Portion	5815 - Utilities	672,291	624,428	720,304
Operating Lease Liabilities - Long Term Portion	5816 - Gas and Electric	5,000.00	13,075	9,116
Stock Redemption Loan - Net of Current Portion	5817 - Internet Connection	14,006	115,911	432,328
Deferred Retention Income	5818 - Security	76,701	-	10,390,050
Total Long Term Liabilities	5819 - Telephone	25,426.83	3,000,000	4,000,000
Total Liabilities	5820 - Cellular phones	2,767,998	3,753,414	15,551,798
Equity	5821 - Office Phones	8,135.20	5,243,893	18,419,816
Common Stock (100,000 shares authorized, 230 shares issued and outstanding)	5822 - Cellular phones	3,905,135		
Paid in Capital	58135 - Telephone	21,565.18	100	100
Retained Earnings	58137 - Water & Sewer	32,100.05	10,100	10,100
Total Equity	5813 - Utilities	71,603,900.23	62,505,188	35,392,895
Total Liabilities & Equity	Total 5813 - Utilities	71,679,698.85	62,515,388	35,403,095
	Total 5800 - Corporate Headquarters	\$ 75,577,775	\$ 67,759,281	\$ 53,822,911
	5900 - Other Admin Expense	988,162.09		
	5901 - Accounting			
	59161 - Accounting Wages	230,280.75		
	59162 - Accounting Wages Bonus	11,000.00		
	59163 - Accounting - Other	95,858.26		

Read Accountant's Audit Report/

The Accompanying Notes Are An Integral Part Of These Financial Statements

(Modified graphics)

Accrual Basis

WINDOW WORLD INC
Consolidated Statements of Income
Profit & Loss

January through November 2024

For the Year Ended:

		12/31/2024	12/31/2023	12/31/2022
Income	Total 5901 - Accounting	337,139.01		
Rebate Income	5903 - Automobile Expense	\$ 38,254,273	\$ 40,258,237	\$ 42,232,027
Warranty Income	59032 - Automobile Expense - Other	300	400	200
Website Management Income		71,843.85		
Marketing Income	Total 5903 - Automobile Expense	38,254,573	259,415	241,822
Franchisor Operated Store Sales	5904 - Sales Service Charges	4,231,004	4,379,031	3,176,674
Franchisor Owned Teleshopping Co. Fees	5905 - Consulting Fees	3,626,405	-	601,248
Franchise Start-Up Income	5906 - Credit Card Processing	645,845	494,771	345,454
	5907 - Donation	109,137	131,877	91,866
Total Income	5908 - Donation	47,127,079	45,523,731	46,689,291
Cost of Goods Sold-Franchisor Operated Stores	5909 - Donation - Other	(2,965,744)	(22,413)	(1,004,429)
Gross Profit	Total 5908 - Donation	44,161,335	45,501,318	45,684,862
Operating Expenses	5909 - Dues and Subscriptions	358,745.25		
Advertising & Marketing	5910 - Equipment Rental	4,441,339	4,142,835	3,295,618
Airplane Expenses	5911 - Continuing Education	411,238	382,620	574,866
Amortization Expense	5912 - Employee Service Awards	10,000	10,000	10,000
Automobile Expenses	5914 - Legal Fees	85,439	89,148	68,488
Charitable Donations	59141 - Legal Wages	607,893	616,671	1,485,677
Consulting Fees	59142 - Legal Wages Bonus	152,368	143,990	115,500
Continuing Education	59143 - Legal Travel	8,834	11,366	7,284
Corporate Meetings	59144 - Legal Meals	5,079,723	1,571,191	4,564,754
CRM Expense	59145 - Legal Fees - Other	275,667	266,526	205,313
Depreciation Expense	Total 5914 - Legal Fees	455,183	568,470	549,309
Directors' Fees	5915 - Directors' Fees	675,900	450,000	450,000
Dues & Subscriptions	5917 - Merchandise	378,739	415,329	250,110
Franchise Expenses	5918 - Postage and Delivery	1,698,209	1,387,558	1,683,874
Insurance	5921 - Printing and Reproduction	836,015	740,329	673,475
Interest Expense	5922 - Repairs	39,053	138,692	239,301
Miscellaneous	59221 - Computer Repairs & Support	170,430	159,845	275,040
Office Expense	59223 - Computer Equipment	132,708	84,453	57,555
Product Development	Total 5922 - Repairs	66,608	67,467	11,692
Professional Fees	5923 - Recruiting	1,240,632	4,323,203	3,208,934
Rental Expense	Total 5900 - Other Admin Expense	680,561	550,584	602,976
Repairs & Maintenance	Total 5000 - Administrative Cost	286,649	256,874	469,052
Retirement Funding	6100 - Advertising/Marketing	209,078	197,790	187,726
Salaries & Wages	61001 - Brand Maintenance	7,578,662	6,938,215	6,402,328
Special Projects	6101 - Brand Insights	17,600.00	30,002	-
Supplies	6103 - Brand Management	3,682,579.89	89,195	55,786
Taxes & Licenses	Total 61001 - Brand Maintenance	605,592	573,644	481,954
Travel & Entertainment	6105 - Asset Production	298,157	206,473	163,124
Utilities	61051 - Video Production	106,473	97,241	125,046
Total Operating Expenses	61052 - Photo Production	26,616,367	24,509,711	26,214,782
Net Operating Income (Loss)	61053 - Print Production	17,544,968	20,991,607	19,470,080
	61055 - Asset Production - Other	27,685.89		
		4,190.00		
		3,906.16		
		83,021.75		

Read Accountant's Audit Report/

The Accompanying Notes Are An Integral Part Of These Financial Statements

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(Modified graphics)

Accrual Basis

WINDOW WORLD, INC.
Consolidated Profit & Loss
January through November 2024

For the Year Ended:

	Jan - Nov 24	12/31/2023	12/31/2022
	12/31/2024		
Total 6105 - Asset Production	118,803.80		
Other Income (Expenses)			
Administrative Fee Income	18,000	18,000	18,000
Bad Debt Expense	(14,450)	(46,408)	-
Interest Income	2,706,371	2,036,921	365,438
Mediation Settlement	1,694,046.65	-	(125,000)
Other Income	3,174	-	200
Total 6110 - Advertising	2,713,184.79	2,008,513	258,638
Total Other Income (Expenses)	2,713,184.79	2,008,513	258,638
Net Income (Loss)	\$ 20,258,083	\$ 23,000,120	\$ 19,728,718
61300 - Jarett Andretti	125,000.00		
61301 - Racing	143,480.57		
61303 - Merle Fest	160,562.65		
61304 - Concerts on the Deck	15,000.00		
61307 - WW Military Initiative	112,150.12		
Total 6130 - Event Marketing	556,193.34		
6135 - Franchisee Marketing Initiatives			
61350 - Telemarketing	22,663.61		
61353 - Signage Co-op	9,810.52		
61354 - Wells Fargo Finance Initiative	111,068.18		
61355 - Style Guides	75,930.75		
6135 - Franchisee Marketing Initiatives - Other	-12,200.00		
Total 6135 - Franchisee Marketing Initiatives	207,273.06		
6140 - Online Marketing	7,825.52		
6150 - Production	469.67		
6158 - Marketing - Contracted Services	18,750.00		
6174 - Travel - Marketing	10,514.14		
6176 - Lodging - Marketing	1,844.17		
6177 - Meals - Marketing	4,162.05		
6180 - Public Relations	158,715.00		
6192 - Marketing Wages	668,446.28		
6194 - Marketing Bonus	27,500.00		
Total 6100 - Advertising/Marketing	4,274,260.99		
6195 - Literature			
6197 - Fulfillment	152,635.07		
Total 6195 - Literature	152,635.07		
6200 - Corporate Meetings			
6201 - Owner's Forum			
6201-1 - Advisory Council	96,852.83		
6201 - Owner's Forum - Other	-584.00		
Total 6201 - Owner's Forum	96,268.83		
6202 - Family Reunion	4,644,955.28		
6204 - Owner's Trip	3,223.50		
6205 - Regional Sales Meeting	2,687.92		
6206 - New Design Consultant Orient.	43,876.84		

Read Accountant's Audit Report/
The Accompanying Notes Are An Integral Part Of These Financial Statements

Page 5 of 6

(Modified graphics)

WINDOW
Accrual Basis

WINDOW WORLD INC

Profit & Loss

January through November 2024

Consolidated Statements of Cash Flows

	Jan - Nov 24	For the Year Ended:	
	12/31/2024	12/31/2023	12/31/2022
6207 - St. Jude Event	40,343.55		
6210 - New Store Owner Orientation	11,343.52		
6213 - High Performance Summit	133,925.19		
Cash flows from operating activities:			
Net Income	\$ 20,258,083	\$ 23,000,120	\$ 19,728,718
Adjustments to reconcile net income to net cash provided by operating activities:			
6216 - Misc Corporate Meetings	4,284.54		
6218 - Liability Initiation Initiative	2,739.00		
Amortization	10,000	10,000	10,000
6219 - KAMA Training	306.10		
Depreciation	455,163	568,470	549,309
6220 - Splash Fund	265.99		
(Increase) decrease in:			
6224 - Sales Velocity	25,000.00		
6225 - Corporate Meetings-Other	(1,018,830)	(882,006)	1,204,498
Prepaid expenses	208.38		
Total 6200 - Corporate Meetings	(214,044)	(94,709)	(155,138)
Deposit on fixed asset	5,009,429.06		
6300 - Franchise Documentation Expense	-	-	28,866
6301 - Franchise Legal Fees	1,420.50		
Increase (decrease) in:			
Accounts payable	(17,487)	(362,774)	788,636
6302 - State Franchise Fees	425.00		
Accrued expenses	41,850	6,741	(831,058)
6303 - Franchise Doc Exp-Other	51,124.55		
Window World Cares fines escrow	6,000	-	-
Total 6300 - Franchise Documentation Expense	18,000	(1,000)	23,000
6400 - Franchise Training fees	12,970.05		
6400 - Franchise Training fees	2,646	1,434	2,530
401(k) profit sharing contribution payable	-	-	(600,000)
6402 - Lodging	1,942.85		
6403 - Meals	8,219.18		
Total adjustments	(716,702)	(753,844)	1,020,643
6404 - Training Wages	448,413.30		
Net cash provided (used) by operating activities	21,588.99		
6405 - Training Wages Bonus	19,541,381	22,246,276	20,749,361
6406 - Travel	10,504.72		
Cash flows from investing activities:			
6407 - Training Dues & Sub	797.34		
Purchase of fixed assets	(8,095)	(200,384)	(749,164)
6408 - Franchise Training - Other	736.42		
Due from/to affiliated parties	(11,951)	(93,958)	(87,482)
6409 - Franchise Sales Contest	10,745.13		
Total 6400 - Franchise Training	526,947.93		
Net cash provided (used) by investing activities	(20,046)	(294,342)	(836,646)
6500 - Franchise Start Up Cost			
6501 - Franchisee Computers	9,180.77		
Cash flows from financing activities:			
6502 - Marketing Material - Franchise	53,794	(91,918)	124,249
Deferred franchise & start-up fees	4,160.49		
6503 - Window Displays Franchisee	50,601.84		
Deferred retention income	(1,000,000)	(1,000,000)	(1,000,000)
6504 - Franchisee Wages	5,031.14	(702,157)	(1,035,850)
Payments on long-term debt	(11,100,851)	(6,632,479)	(11,491,664)
Shareholder distributions	2,238.36		
6505 - Franchisee Start-Up Cost-Other	33,212.40		
Total 6500 - Franchisee Start Up Cost	(12,047,057)	(8,426,554)	(13,403,265)
Net cash provided (used) by financing activities			
6600 - Regional Manager Expense	7,474,278	13,525,380	6,509,450
Increase (decrease) in cash and cash equivalents	138,727.71		
6601 - Regional Materials & Expense			
6602 - Regional Meals	112,775.68		
Cash and cash equivalents at beginning of year	54,010,422	40,485,042	33,975,592
6603 - Regional Lodging	129,607.21		
Cash and cash equivalents at year end	\$ 61,484,700	\$ 54,010,422	\$ 40,485,042
6604 - Regional Travel	183,583.12		
Supplemental Disclosures of Cash Flow Information:			
6605 - Regional Manager Wages	916,967.81		
6606 - Regional Manager Wages Bonus	40,250.00		
Cash paid for 6605 - Regional Manager Expense	1,641,911.53		
Interest			
6700 - Product Development	\$ 39,053	\$ 138,692	\$ 239,301
6701 - Prod Dev Wages	365,909.87		
6702 - Prod Dev Wages Bonus	17,000.00		

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The Accompanying Notes Are An Integral Part Of These Financial Statements

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(Modified graphics)

Accrual Basis

WINDOW WORLD INC
Window World, Inc.
Profit & Loss
Consolidated Statements of Retained Earnings
January through November 2024

	Jan - Nov 24 Period Year Ended:		
	12/31/2024	12/31/2023	12/31/2022
6703 • Prod Dev Travel		36,091.79	
6704 • Prod Dev Meals & Ent		12,022.17	
6705 • Product Development Training		3,780.78	
Retained Earnings - January 1	\$ 62,505,188	\$ 35,392,895	\$ 27,155,841
6706 • Prod Dev Lodging		9,401.10	
6707 • Product Development-Other	20,258,083	2,639.87	19,728,718
Termination Costs - Product Development		- 446,845.58	-
6800 • WW360			
Less: Dividends	(11,100,851)	(6,632,479)	(11,491,664)
6801 • 360 Wages		730,246.59	
Retained Earnings - December 31	\$ 71,662,420	\$ 62,505,188	\$ 35,392,895
6802 • 360 Wages Bonus		24,500.00	
6803 • 360 Travel		40,092.53	
6804 • 360 Meals & Ent		7,798.62	
6805 • 360 Contracted Services		75,565.47	
6806 • 360 Lodging		16,753.31	
6808 • WW360 Miscellaneous Expense		193.75	
Total 6800 • WW360		895,650.27	
6900 • Other Franchise Cost			
6902 • Failed Franchisee			
69021 • Sacramento		883.84	
69022 • East Bay		20,679.37	
69024 • Failed Franchisee - Other		95,326.95	
Total 6902 • Failed Franchisee		116,890.16	
6904 • Franchisee Expense		85,932.89	
6907 • Postage and Delivery Franchisee		44,051.58	
6910 • National Franchise Development			
6911 • Franchise Dev Wages		306,933.21	
6912 • Franchise Wages Bonus		15,000.00	
6913 • Franchising		2,440.00	
6915 • NF Website/Interactive PPC		108,730.00	
6920 • Franchise Dev Travel		53,149.19	
6921 • Franchise Dev Meals & Ent		12,256.08	
6922 • Franchise Dev Lodging		23,215.25	
6923 • National Franchise Dev - Other		13,327.99	
Total 6910 • National Franchise Development		535,051.72	
6940 • Simonton Preferred Pricing Prog		155,505.00	
6941 • Milgard Preferred Pricing		1,190.00	
6942 • Windsor Preferred Pricing		1,550.00	
6950 • Other Franchise Cost		222.49	
Total 6900 • Other Franchise Cost		940,393.84	
Total 6000 • Franchisee Cost		13,974,256.72	
Total Expense		22,530,534.98	
Net Ordinary Income		14,851,171.41	
Other Income/Expense			
Other Income			

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The Accompanying Notes Are An Integral Part of These Financial Statements

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WINDOW WORLD INC	
Profit & Loss	
January through November 2024	
Notes to Financial Statements	
December 31, 2024, 2023, and 2022	
Jan - Nov 24	
7010 - Interest Income	2,485,902.22
7030 - Other Income	
7030 - Miscellaneous Income	253.36
Total 7030 - Other Income	253.36
Total Other Income	2,486,155.58
Other Expense	
8010 - Bad Debt Expense	5,601.87
Total Other Expense	5,601.87
Net Other Income	2,480,553.71
Net Income	17,331,725.12

Note A – Summary of Significant Accounting Policies

This summary of significant accounting policies of Window World, Inc. is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity.

These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Operations

Window World, Inc. is a corporation incorporated under the laws of the State of North Carolina in 1997. Window World, Inc. has 209 Window World store locations nationally spanning 48 states. Window World is the largest window replacement company in America and is one of the largest home improvement companies as well. Each location is individually owned and operated by the Company's franchisees.

The Company files its Franchise Disclosure Document (FDD) in 26 states, 13 of which also require the Company to register. The Company submits its FDD in all remaining states.

Basis of Accounting

The financial statements presented are on the accrual basis of accounting. Sales revenue is recognized when earned and expenses are recognized when a liability has been incurred.

Website Design and Management

The Company has an agreement with some of its franchisees for website design and management services. The monthly fee for the service is \$176 and must be paid by either credit card or automatic draft. The term of this agreement is for the lesser of ten years or the franchisee's remaining franchise term. It shall automatically renew for a period of ten years, unless either party declines. There is no charge for the initial year; however, the agreement may be terminated at any point by the franchisee with no refund of any previously authorized payments. The revenue is recognized under FASB ASC 985-605-25-3, when the following criteria are met: persuasive evidence of an arrangement exists, delivery has occurred, the vendor's fee is fixed or determinable and collectability is probable. 100% of the \$260,046, \$259,415, and \$241,822 in website management fees received during 2024, 2023 and 2022, respectively, have been included in the Company's income statement under Website Management Income and have been recognized in full during 2024, 2023, and 2022. The Company managed 162 websites in 2024, 163 websites in 2023, and 158 websites in 2022.

(Modified graphics)

Window World, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022

Note A – Summary of Significant Accounting Policies (Continued)

Franchise Fee Revenues

The Company has elected not to account for franchise fee revenues using the Practical Expedient for private companies under ASU 2021-02 and, thus, continues to account for them under FASB Topic 606, *Revenue from Contracts with Customers*. Franchise fee revenue, categorized as “Franchise Start-Up Income”, is recognized as follows:

Because franchise fees comprise only a small part of the Company's revenue, management decided that the most feasible way to recognize revenue from the agreements in compliance with FASB Topic 606 is to amortize the entire franchise fee over the 10-year contract length. For the years 2024, 2023, and 2022, respectively, this results in current year revenue of \$109,137, \$131,877, and \$91,866, and deferred revenue of \$797,303, \$726,440, and \$823,316.

**For the Years Ended December 31,
2023, 2022, and 2021**

Pursuant to FASB ASC 606-10-50-7, the Company's Franchise Fee includes training, computer & accounting software, displays, literature & in-home presentation samples, a mobile display kit, a photo shoot, and the use of the Company's name and logo in their advertising for the length of the franchise agreement. All components of the Franchise Fee are transferred at or near the signing of the franchise agreement, other than franchisee training, which in some cases may run into a subsequent reporting period before the obligation is performed. The Company has elected to amortize the Franchise Fee in its entirety over the 10-year term. The type of customer, type of contract, and customer geographical location for each franchisee are not affected by normal economic factors as to the nature, amount, timing, and uncertainty of revenue and cash flows, as they are upfront fees paid by the franchisee.

By virtue of FASB ASC 606-10-50-11, the following beginning and ending balances are being disclosed:

	01/01/2024	12/31/2024	01/01/2023	12/31/2023
Receivables	0	0	0	0
Contract Assets	0	0	0	0
Contract Liabilities (Deferred Revenue)	\$726,440	\$797,303	\$823,316	\$726,440
	01/01/2022	12/31/2022		
Receivables	0	0		
Contract Assets	0	0		
Contract Liabilities (Deferred Revenue)	\$685,183	\$823,316		

In accordance with FASB ASC 606-10-50-12, see above commentary under FASB ASC 606-10-50-7 disclosure.

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Window World, Inc.
Financial Statements with
Independent Auditor's Report
Years Ended December 31, 2024, 2023, 2022, and 2021

Note A – Summary of Significant Accounting Policies (Continued)

Franchise Fee Revenues (Continued)

Pursuant to FASB ASC 606-10-50-17, as stated above, the Company has elected to amortize the entire Franchise Fee over the 10-year term of the agreement. The Franchise Fee is not allocated to the various components included in the fee, but rather has been amortized in full over the term of the agreement.

Basic Financial Statements

Other Information

The Company requires an initial franchise and equipment fee of \$45,000 payable in a lump sum from prospective franchisees and that fee is non-refundable. The Company does not charge its franchisees any continuing franchise fees. The initial term of the franchise agreement is for 10 years, with an automatic renewal for an additional 10-year term if in compliance. If a franchisee receives approval to sell their business for \$11,250, the fee is required in lieu of the purchaser's initial franchise and equipment fee.

Cash and Cash Equivalents

The Company defines its cash and cash equivalents as checking and money market accounts.

Accounts Receivable

The Company uses a combination of historical loss information and economic forecasts that are reasonable and supportable to determine expected credit losses from trade receivables. For the years 2024, 2023, and 2022, the composition of trade receivables at year-end has been consistent since the Company's credit terms and practices, as well as the creditworthiness of its customer base, have not changed significantly. However, because as of December 31, 2024, reasonable and supportable economic forecasts are uncertain about the economy's prospects for growth, out of conservatism, the Company's management is raising the Allowance for Credit Losses to \$15,000. Management believes that this figure results in the presentation on the balance sheet of the amount of accounts receivable that the Company reasonably expects to collect.

Depreciation of Property and Equipment

Property and equipment are recorded at cost. Major improvements, which substantially increase an asset's life, are capitalized and repairs are expensed in the period incurred.

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CERTIFIED PUBLIC ACCOUNTANT
CERTIFIED VALUATION ANALYST

Notes to Financial Statements
December 31, 2024, 2023, and 2022

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INDEPENDENT AUDITOR'S REPORT



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Note A – Summary of Significant Accounting Policies (Continued)

For financial reporting, fixed assets are depreciated under the straight-line method over the following estimated useful lives:

Opinion

Buildings and improvements

Years
15 & 39

Furniture and fixtures

7

Leases and amortization

3 & 5

Vehicles and airplane

5

We have audited the accompanying financial statements of Window World, Inc. (a North Carolina corporation), which comprise the consolidated balance sheet as of December 31, 2023, 2022, and 2021, and the related consolidated statements of income, consolidated cash flows, and consolidated retained earnings for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Window World, Inc. as of December 31, 2023, 2022, and 2021, and the consolidated results of its operations and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Leases

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Window World, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Window World, Inc.'s ability to continue operating concern within one year after the date that the financial statements are available to be issued.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Window World, Inc. is the sole owner of two Limited Liability Companies - WW Management Services, LLC and Window World Technologies, LLC. For the years ended December 31, 2024, 2023, and 2022, both entities' financial position and results of operations were consolidated with those of Window World, Inc. since the Company will assume all of the expected income and expenses of these entities for the entire year.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

WW Management Services, LLC (WWMS, LLC) was formed in November 2019. Its purpose is to provide management services to franchisees who enter into management agreements with it. Occasional WWMS internal control assessments, no such opinion is expressed that were formerly owned by Window World franchisees until a new owner is found for the franchise.

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NATIONAL ASSOCIATION OF CERTIFIED VALUATION ANALYSTS

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- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Window World, Inc.'s ability to continue as a going concern for a reasonable period of time.

Note A – Summary of Significant Accounting Policies (Continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Window World Technologies, LLC was formed in January 2020. Its purpose is to provide installation and support services for the Company's customer relationship management software package (see Note P).

When a store begins using this software, they pay a \$600 one-time start-up fee, which the Company's management has elected to amortize over the term of the software license for family

Management is responsible for the other information included in the periodic disclosure document. The other information contained in the management disclosure document does not constitute the financial statements and our audit report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. We based on this report, the Company's financial statements are based on the Consolidated Income Statement, which is required to describe it in our report.

Note B – Note Payable

At December 31, 2024 and 2023, the Company has no outstanding notes payable. See Note P for information regarding the termination of the Company's obligation on the note payable that is outstanding at December 31, 2022.

March 26, 2024

At December 31, 2022, the Company's outstanding note payable is as follows:

Description	Security	Amount
Note Payable		
Interest Rate 2.00% per Annum	Cash, Accounts	
Monthly Payment of \$106,337	Receivable, Fixed	
Due October 2032	Assets	\$11,446,808
Less current portion		(1,056,758)
		<u>\$10,390,050</u>

The following is a schedule of future payments required under the terms of the note payable as of December 31, 2022:

Year Ending December 31,	Amount
2023	\$ 1,056,759
2024	1,078,089
2025	1,099,849
2026	1,122,049
2027	1,144,697
Thereafter	<u>5,945,365</u>
	<u>\$11,446,808</u>

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Window World, Inc.
Consolidated Balance Sheet
Notes to Financial Statements
December 31, 2024, 2023, and 2022

Note C – Description of Leasing Arrangements

For the Year Ended:

	12/31/2024	12/31/2023	12/31/2022
The Company leases its corporate headquarters, a hangar for its company airplane, and three photocopiers under operating leases with five-year initial terms. The lease for the corporate headquarters includes a renewal option which can extend the lease term fifteen years, as well as an alternate provision that allows the lease to remain after the expiration of its initial term with a month-to-month tenancy. Whether to exercise the renewal option, choose a month-to-month tenancy, or neither is at the sole discretion of the Company. This lease was valued on January 1, 2022 in accordance with the provisions of FASB Topic 842, <i>Accounting for Leases</i> , which became effective on that date. At that time, the lease continuing through 2022, 2023 and 2024, it was not reasonably certain which action management would take, so the renewal option was not included in its measurement of the lease asset and liability.			
Current Assets			
Cash	\$ 54,010,422	\$ 40,485,042	\$ 33,975,592
Accounts Receivable, Net of Allowance for Credit Losses	6,691,744	5,809,736	7,014,234
Prepaid Expenses	848,182	780,693	593,835
Deposit on Fixed Asset	-	-	28,866
Total Current Assets	61,550,348	47,074,471	41,612,527
Fixed Assets			
Airplane	8,697,846	8,697,846	8,697,846
CRM Software Development	509,944	509,944	509,944
Furniture & Equipment	1,003,908	982,174	982,174
Company Vehicles & Showcars	1,890,202	1,749,243	1,720,377
Building & Improvements	4,668,178	4,630,487	3,910,189
Less: Accumulated Depreciation	(12,998,876)	(12,430,406)	(11,881,097)
Net Fixed Assets	3,771,202	4,439,288	3,939,433
Other Assets			
Due from Related Companies	329,494	235,536	148,054
Claims to Prior Shareholders	1,482,752	1,008,832	1,083,063
Operating Lease Right-of-Use Assets	559,452	841,051	-
360 Software Rights	100,000	100,000	100,000
Accumulated Amortization	(39,167)	(29,167)	(19,167)
Total Other Assets	2,432,531	2,635,172	1,716,639
Total Assets	\$ 67,759,281	\$ 53,822,911	\$ 47,273,299
Liabilities			
Current Liabilities			
Current Portion of Operating Lease Liabilities	\$ 919,129	\$ 1,281,903	\$ 493,267
Accounts Payable	21,833	15,092	846,150
Accrued Expenses	102,012	103,012	80,012
Deferred Franchise Fees - Current Portion	3,964	2,530	-
Deferred WW Tech Start-Up Fees - Current Portion	443,541	408,723	-
401(k) Plan Profit Sharing Contribution Payable	-	-	600,000
Operating Lease Liabilities - Current Portion	-	1,056,758	1,035,851
Long-term Debt - Current Portion	-	2,868,018	3,055,280
Total Current Liabilities	1,490,479	5,566,024	5,974,500
Long Term Liabilities			
Operating Lease Cost	\$ 468,454	\$ 11,446,808	\$ 12,482,658
Deferred Franchise Fees, Net of Current Portion	624,428	720,304	605,171
Deferred WW Tech Start-Up Fees, Net of Current Portion	13,075	9,116	-
Operating Lease Liabilities, Net of Current Portion	115,911	432,328	-
Less: Current Portion of LT Debt	-	(1,056,758)	(1,035,851)
Deferred Retention Income	3,000,000	4,000,000	5,000,000
Total Long Term Liabilities	3,753,414	15,551,798	17,051,978
Total Liabilities	5,243,893	18,419,816	20,107,258

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The Accompanying Notes Are An Integral Part Of These Financial Statements

3

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Window World, Inc.
Consolidated Balance Sheets
Window World, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022

Note C – Description of Leasing Arrangements (Continued)

For the Year Ended:

The following summarizes the cash flow information related to operating leases for the year ended December 31, 2024:

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Equity			
Common Stock (100,000 shares authorized, 230 shares issued and outstanding)	100	100	100
Paid in Capital	10,100	10,100	10,100
Shareholder Distributions	(6,632,479)	(11,491,664)	(13,727,185)
Retained Earnings	46,137,547	27,155,841	15,683,361
Net Income (Loss)	23,000,120	18,728,718	25,199,665
Operating cash flows for operating leases	<u>\$468,434</u>		
Total Equity	62,515,388	35,403,095	27,166,041
Lease assets obtained in exchange for lease liabilities:	<u>\$ 67,759,281</u>	<u>\$ 53,822,911</u>	<u>\$ 47,273,299</u>

Operating leases \$559,452

Weighted average lease term and discount rate as of December 31, 2024 were as follows:

Weighted average remaining lease term	2.3 years
Weighted average discount rate	5.5%

The maturities of operating lease liabilities as of December 31, 2024 were as follows:

2025	\$ 46,305
2026	42,011
2027	36,000
2028	6,000
2029	<u>- 0 -</u>
Total lease payments	\$130,316
Less: Interest	<u>(14,405)</u>
Present value of lease liabilities	<u>\$115,911</u>

The following summarizes the line items in the balance sheet which include amounts for operating leases as of December 31, 2023:

Operating Lease Right of Use Assets	<u>\$559,452</u>
Current Portion of Operating Lease Liabilities	\$443,541
Noncurrent Portion of Operating Lease Liabilities	<u>115,911</u>
Total Operating Lease Liabilities	<u>\$559,452</u>

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The Accompanying Notes Are An Integral Part Of These Financial Statements

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Window World, Inc.			
Consolidated Statements of Income			
Notes to Financial Statements			
December 31, 2024, 2023, and 2022			
	12/31/2023	12/31/2022	12/31/2021
Income			
Rebate Income	\$ 40,258,237	\$ 42,232,027	\$ 40,178,739
Warranty Income	400	200	200
Website Management Income	259,415	241,822	225,141
Marketing Income	4,379,031	3,126,674	3,528,999
Franchisor Operated Store Sales, net	-	601,248	6,820
Franchisor Owned Technology Co. Fees	494,771	345,454	257,162
Franchise Start-Up Income	131,877	91,866	112,502
Total Income	45,523,731	46,689,291	44,309,563
Cost of Goods Sold-Franchisor Operated Stores	(22,413)	(1,004,429)	(125,242)
Gross Profit	45,501,318	45,684,862	44,184,321
Operating Expenses			
Advertising & Marketing	4,142,835	3,295,618	2,204,132
Airplane Expenses	382,620	574,866	1,135,343
Amortization Expense	10,000	10,000	10,000
Automobile Expenses	89,148	68,488	37,894
Charitable Donations	616,671	1,485,677	545,761
Consulting Fees	143,990	115,500	82,280
Continuing Education	11,366	7,284	8,758
Corporate Meetings	1,571,191	4,564,754	188,923
CRM Expenses	266,526	205,313	137,218
Depreciation Expense	568,470	549,309	564,467
Directors' Fees	450,000	450,000	450,000
Dues & Subscriptions	415,329	250,110	241,022
Franchise Expenses	1,387,558	1,683,874	1,055,275
Insurance	740,529	675,475	830,101
Interest Expense	138,692	239,301	262,405
Miscellaneous	159,845	275,040	178,901
Office Expense	84,453	57,555	63,337
Product Development	67,467	11,692	50,327
Professional Fees	4,323,203	3,208,934	2,450,476
Rental Expense	550,584	602,976	518,163
Repairs & Maintenance	256,874	469,052	245,546
Ratification Funding	27,790	185,226	781,262
Salaries & Wages	6,938,215	6,402,328	6,139,932
Special Projects	30,002	-	-
Supplies	89,195	55,786	49,106
Taxes & Licenses	573,644	481,954	466,888
Travel & Entertainment	206,473	183,124	165,202
Utilities	97,241	120,046	97,771
Total Operating Expenses	24,509,711	26,000,782	18,960,490
Net Operating Income (Loss)	20,991,607	19,470,080	25,223,831
Total lease payments		\$598,770	
Less: Interest		(39,318)	
Present value of lease liabilities		\$559,452	

Read Accountant's Audit Report/
The Accompanying Notes Are An Integral Part Of These Financial Statements

(Modified graphics)

Window World, Inc.
Consolidated Statements of Income
Notes to Financial Statements
December 31, 2024, 2023, and 2022

For the Year Ended:

	12/31/2023	12/31/2022	12/31/2021
Note C – Description of Leasing Arrangements (Continued)			
Other Income (Expenses)			
Administrative Fee Income	18,000	18,000	18,000
Interest Income	2,036,921	365,438	352
Gain (Loss) on Sale of Assets	-	-	(5,074)
Other Income	-	200	-
Mediation Settlement	-	(125,000)	-
Bad Debt Expense	(46,408)	\$841,051	(36,721)
Income Tax Expense	-	-	(723)
Total Other Income (Expenses)	2,008,513	\$408,723	(24,166)
Operating Lease Right of Use Assets			
Current Portion of Operating Lease Liabilities	2,008,513	\$408,723	(24,166)
Net Income (Loss)	\$ 23,000,120	\$ 19,728,718	\$ 25,199,665
Noncurrent Portion of Operating Lease Liabilities		\$432,328	
Total Operating Lease Liabilities		\$841,051	

The components of operating lease expenses that are included in "Operating Expenses" in the consolidated statement of income for the year ended December 31, 2022 were as follows:

Operating Lease Cost	\$459,861
Variable Lease Cost	431

The following summarizes the cash flow information related to operating leases for the year ended December 31, 2022:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows for operating leases	\$459,861
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Lease assets obtained in exchange for lease liabilities:

Operating leases	\$1,269,373
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Weighted average lease term and discount rate as of December 31, 2022 were as follows:

Weighted average remaining lease term	1.9 years
Weighted average discount rate	3.25%

(Modified graphics)

Window World, Inc.
Consolidated Statements of Cash Flows
Notes to Financial Statements
December 31, 2024, 2023, and 2022

For the Year Ended:

	12/31/2023	12/31/2022	12/31/2021
Note C – Description of Leasing Arrangements (Continued)			
Cash flows from operating activities:			
Net Income	\$ 23,000,120	\$ 19,728,718	\$ 25,199,665
The maturity of operating lease liabilities as of December 31, 2022 were as follows:			
Adjustments to reconcile net income to net cash provided by operating activities:			
2023 Depreciation	\$68,470	549,309	564,467
2024 Amortization	10,000	10,000	11,006
2025 (Gain)/loss on sale/disposal of assets	10,305	-	5,074
2026	6,011		
2027 (Increase) decrease in:			
Accounts receivable	(882,066)	1,204,498	(522,980)
Prepaid expenses	(94,709)	(155,138)	(137,894)
Total lease payments	\$878,946	-	646,134
Other current assets	-	-	-
Deposit on fixed asset	-	28,866	-
Less: Interest	(37,895)		
Increase (decrease) in:			
Present value of lease liabilities	(362,774)	788,636	17,424
Accounts payable	6,741	(831,058)	821,742
Accrued expenses	(1,000)	23,000	233,749
Deferred franchise fees	1,434	2,530	-
Deferred start-up fees	-	(600,000)	600,000
401(k) profit sharing contribution payable	-	-	-
Total adjustments	(753,844)	1,020,643	2,238,722
Net cash provided (used) by operating activities	\$22,246,275	\$20,749,361	\$27,438,387

On December 1, 2024, the Company signed a one-year lease on a second condominium located in North Wilkesboro, NC, with monthly rent payments of \$1,100. On December 1, 2022, this lease converted to a month-to-month tenancy with no change in the monthly rent amount. Management did not terminate this lease in 2024, and management is reasonably certain that it will not terminate this lease within the next twelve months from December 31, 2024. Consequently, as of December 31, 2024, 2023 and 2022, the Company has an annual future payment commitment under this lease of \$13,200.

Cash flows from investing activities:

Purchase of fixed assets	(200,384)	(749,164)	(158,720)
Due from/to affiliated parties	(93,958)	(87,482)	(98,324)
Net cash provided (used) by investing activities	(294,342)	(836,646)	(257,044)

Cash flows from financing activities:

Deferred franchise & start-up fees	(94,913)	104,269	-
Deferred retention income	(1,000,000)	(1,000,000)	4,650,000
Payments on long-term borrowings	(702,157)	(1,035,850)	(3,737,816)
Shareholder distributions	(6,632,439)	(11,491,669)	(13,722,185)
Net cash provided (used) by financing activities	(8,429,519)	(12,423,250)	(12,815,001)

The Company leases a condominium in Myrtle Beach, SC from a 20% Investment Property (a single-member LLC owned by the Company's sole shareholder). The lease is a month-to-month agreement with monthly rent payments of \$5,500. In addition, the Company is responsible for cleaning, maintenance, and repair costs, which vary from year to year. Management did not terminate this lease in 2024, and management is reasonably certain that it will not terminate this lease within the next twelve months from December 31, 2024. Consequently, as of December 31, 2024, 2023, and 2022, the Company has an annual minimum future payment commitment under this lease of \$66,000.

(Modified graphics)

Window World, Inc.
Consolidated Statements of Cash Flows
Window World, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022

For the Year Ended:

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Note D – Month-to-Month Rental Commitments (Continued)			
Increase (decrease) in cash and cash equivalents	13,525,380	6,509,450	14,366,342
Rent costs associated with this lease, including base rent, cleaning expenses, and repair costs, were \$98,152, \$79,517, and \$82,543 for the years ended December 31, 2023, 2022, and 2021, respectively.			
Cash and cash equivalents at beginning of year	<u>\$ 40,485,042</u>	<u>\$ 33,975,592</u>	<u>\$ 19,609,280</u>
Cash and cash equivalents at year-end	<u>\$ 54,010,422</u>	<u>\$ 40,485,042</u>	<u>\$ 33,975,592</u>

Note E – Line of Credit

Supplemental Disclosures of Cash Flow Information:

The Company had an agreement with a financial institution for a revolving line of credit for \$1,750,000 collateralized by the Company's business assets. The line of credit was subject to interest at the financial institution's prime rate plus 0.00%. There was no balance due on this line of credit at December 31, 2022. The line of credit was up for renewal on April 1, 2023, and was not renewed.

In March 2024, the Company opened a new \$2,500,000 revolving line of credit with a different financial institution. There was no balance due on this line of credit at December 31, 2024. This line of credit will be up for renewal on May 5, 2025.

Note F – Advertising Expense

Advertising costs are expensed in the period incurred and not over the life of the advertising. Advertising expense was \$4,441,339 for 2024, \$4,142,835 for 2023, and \$3,295,618 for 2022.

Note G – Interest Expense

Interest expense was \$39,053 for the 12 months ending December 31, 2024, \$138,692 for the 12 months ending December 31, 2023, \$239,301 for the 12 months ending December 31, 2022.

Note H – Compensated Absences

The Company has not accrued compensated absences because the amount cannot be reasonably estimated.

Note I – Management's Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Window World, Inc.
Consolidated Statements of Retained Earnings
Notes to Financial Statements
December 31, 2024, 2023, and 2022

For the Year Ended:

receivable from each of its major suppliers as of December 31, 2024	\$ 31,302,895	\$ 27,155,841	\$ 15,693,361
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This amount represents management's and the suppliers' best estimate of the April 2024 to March 2025 Marketing Allowance to be received in the second quarter of 2025. It is included in the total accounts receivable balance of \$7,710,574 at December 31, 2024. See Note 3 for information on this liability.

Retained Earnings - December 31 \$ 62,505,188 \$ 35,392,895 \$ 27,155,841

Management has estimated the following amount representing Marketing Allowances receivable from some of its major suppliers as of December 31, 2023:

This amount represents management's and the suppliers' best estimate of the April 2023 to March 2024 Marketing Allowance to be received in the second quarter of 2024. It is included in the total accounts receivable balance of \$6,691,744 at December 31, 2023. See Note S for information on this allowance.

Management has estimated the following amount representing Marketing Allowances receivable from some of its major suppliers as of December 31, 2022:

This amount represents management's and the suppliers' best estimate of the April 2022 to March 2023 Marketing Allowance to be received in the second quarter of 2023. It is included in the total accounts receivable balance of \$5,809,736 at December 31, 2022. See Note S for information on this allowance.

The following related parties either owed the Company non-interest-bearing loans or (the Company owed them non-interest-bearing loans) at December 31:

	2024	2023	2022
Window World International, LLC	\$ 499,303	\$ 458,659	\$ 431,741
Window World of Boston, LLC	- 0 -	(63,910)	(63,910)
Window World Holdings, Inc.	(103,674)	(947,505)	(1,014,545)
Holdings Investments I, LLC	- 0 -	882,075	882,075
Window World Cares	(54,359)	- 0 -	- 0 -
Perfect Investments, LLC	<u>175</u>	<u>175</u>	<u>175</u>
	\$ 341,445	\$ 329,494	\$ 235,536

(Modified graphics)

Window World, Inc.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

Note J – Related-Party Transactions (Continued)

Note A – Summary of Significant Accounting Policies

The Company leases its corporate headquarters office building in North Wilkesboro, North Carolina from PW Investment Property, LLC (a single member LLC owned by the Company's sole shareholder). This summary of significant accounting policies of Window World, Inc. is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity.

The Company leases a condominium in Myrtle Beach, SC from TW Investment Property, LLC (a single member LLC owned by the Company's sole shareholder). This lease is included in the month-to-month rental commitments described in Note D.

Nature of Operations

The Company's former founding shareholder owed the Company \$1,487,752 at December 31, 2024, 2023 and 2022.

Window World, Inc. is a corporation incorporated under the laws of the State of North Carolina in 1997.

Note K – Market Concentrations
Window World, Inc. has 210 Window World store locations nationally spanning 47 states. Window World is the largest window replacement company in America and is one of the largest home improvement companies as well. Each location is individually owned and operated by the Company's franchisees. Except as noted in the next paragraph, there are no material market concentrations, as the Company's stores span most of the country, and it has multiple window, siding, and door manufacturers who supply products to its franchisees.

The Company is currently either registered or has a valid exemption in all 13 states that require registration and its Franchise Disclosure Document (FDD) and/or an exemption filing are being filed with those 13 states. The Company is also filing with 3 states that require annual registration, but not a copy of the FDD. Management observed that when the litigation discussed in Note N is resolved, the Company will need time to find qualified franchisees to replace the ones who initiated the litigation. Therefore, until suitable replacement franchisees are found and have time to build their goodwill and sales volume, the Company's revenue would be reduced.

Basis of Accounting

Note L – Concentration of Credit Risk

The financial statements presented are on the accrual basis of accounting. Sales revenue is recognized when earned and expenses are recognized when a liability has been incurred.

The Company from time to time may exceed FDIC insured amounts in its bank accounts, which are placed with high credit quality financial institutions. The Company has not experienced any losses with these amounts. The Company exceeded the insurance threshold at December 31, 2024, 2023 and 2022.

Website Design and Management

The Company has an agreement with some of its franchisees for website design and management services. The monthly fee for the service is \$175 and must be paid by credit card. The term of this agreement is for a period of five years, and shall automatically renew for another period of five years, unless either party declines. There is no charge for the initial year; however, the agreement may be terminated at any point by the franchisee with no refund of any previously authorized payments. The revenue is recognized under FASB ASC 985-605-25-3, when the following criteria are met: persuasive evidence of an arrangement exists, delivery has occurred, the vendor's fee is fixed or determinable and collectability is probable. 100% of the \$259,415, \$241,822 and \$225,141 in website management fees received during 2023, 2022 and 2021, respectively, have been included in the Company's income statement under Website Management Income and have been recognized in full during 2023, 2022, and 2021. The Company managed 163 websites in 2023, 158 websites in 2022, and 127 websites in 2021.

Note M – 401(k) Plan Arrangement
The Company sponsors a 401(k) retirement plan covering most of its employees. Full-time employees are eligible to participate in the plan after completing one year of service. The Company makes matching contributions based upon the 10% of employees' contributions.

(Modified graphics)

Window World, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022
Window World, Inc.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

Note M – 401(k) Retirement Plan (Continued)

Note A – Summary of Significant Accounting Policies (Continued)

In addition, at the discretion of the Company, it can make a discretionary profit-sharing contribution to the Plan that is prorated among all eligible employees based on their eligible compensation. For the years ended December 31, 2024, 2023 and 2022, the Company chose not to make such a contribution.

Franchise Fee Revenues

The Company has elected not to account for franchise fee revenues using the Practical Expedient for private companies under ASU 2021-02 and, thus, continues to account for them under FASB Topic 606, Revenue from Contracts with Customers.

Franchise fee revenue, categorized as “Franchise Start-Up Income”, is recognized as follows:

The Company is subject to various legal proceedings and claims which arise in the ordinary course of its business. Management believes the ultimate liability with respect to these actions will not materially affect the financial condition or results of operations of the Company.

Because franchise fees comprise only a small part of the Company's revenue, management decided that the most feasible way to recognize revenue from the agreements in compliance with FASB Topic 606 is to amortize the entire franchise fee over the 10-year contract length. For the years 2023, 2022, and 2021, respectively, this results in current year revenue of \$131,877, \$91,866, and \$112,502, and deferred revenue of \$726,440, \$823,316, and \$685,183.

The Company was involved in a lawsuit with two groups of its franchisees as of December 31, 2024, 2023 and 2022 that originated in 2015. The Company's counsel and management believe that, while the lawsuit has not yet been resolved, the Company's franchise relationships, if the plaintiffs are successful, both parties, the case is defensible on its merits. The outcome of this case is uncertain, but it is “reasonably possible” that a loss has been incurred; however, no estimate of such loss can be made as of the date of the Company's financials. The ultimate resolution of this claim against the Company for which the potential loss could not be determined may materially affect the Company's financial condition or results of operations.

Pursuant to FASB ASC 606-10-50-7, the Company's Franchise Fee includes training, computer & accounting software, displays, literature & in-home presentation samples, a mobile display lot, a photo shoot, and the use of the Company's name and logo in their advertising for the length of the franchise agreement. All components of the Franchise Fee are transferred at or near the signing of the franchise agreement, other than franchisee training, which in some cases may run into a subsequent reporting period before the obligation is performed. The Company has elected to amortize the Franchise Fee in its entirety over the 10-year term. The type of customer, type of contract, and customer geographical location for each franchisee are not affected by normal economic factors as to the nature, amount, timing, and uncertainty of revenue and cash flows, as they are upfront fees paid by the franchisee.

The Company was involved in a lawsuit with one of its franchisees as of December 31, 2024, 2023 and 2022 that originated in 2018. The Company's counsel and management believe that, while this lawsuit could have detrimental effects to the Company's franchise relationships if the plaintiff is successful, both believe the case is defensible on its merits. The outcome of this case is uncertain, but it is “reasonably possible” that a loss has been incurred; however, no estimate of such loss can be made as of the date of the Company's financials. The ultimate resolution of this claim against the Company for which the potential loss could not be determined may materially affect the Company's financial condition or results of operations.

By virtue of FASB ASC 606-10-50-11, the following beginning and ending balances are being disclosed:

	01/01/2023	12/31/2023	01/01/2022	12/31/2022
Receivables	0	0	0	0
Contract Assets	0	0	0	0
Contract Liabilities (Deferred Revenue)	\$823,316	\$726,440	\$685,183	\$823,316

Note O – Evaluation of Subsequent Events

The Company has evaluated subsequent events through March 21, 2025, the date the financial statements were available to be issued. According to management's evaluation, the following subsequent events were noted that potentially could have a material impact on the Company's financial results:

In accordance with FASB ASC 606-10-50-12, see above commentary under FASB ASC 606-10-50-7 disclosure. On January 1, 2025, the Company's lease with Perfect Investments, LLC for the Company's corporate headquarters expired. Since the Company had indicated to Perfect Investments that it wished to negotiate a renewal but had not yet done so, the lease became a month-to-month tenancy with monthly rent payments of \$35,883. As of March 21, 2025, the date the financial statements were available to be

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Window World, Inc.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

Note O – Evaluation of Subsequent Events (Continued)

Note A – Summary of Significant Accounting Policies (Continued)

issued, the lease continues to be a month-to-month tenancy because the Company and Perfect Investment Services, Inc. have not begun negotiations. Management intends to begin these negotiations before the end of 2025 and is thus reasonably certain that it will not terminate this lease within the next twelve months from December 31, 2024. Consequently, as of January 1, 2025, the Company has an annual future payment commitment under this lease of \$430,596.

Franchise Fee Revenues (Continued)

Pursuant to FASB ASC 606-10-60-17, as stated above, the Company has elected to amortize the entire Franchise Fee over the 10-year term of the agreement. The Franchise Fee is not allocated to the various components included in the fee, but rather has been amortized in full over the term of the agreement.

On February 17, 2025, two stores that, due to the previous franchisee's bankruptcy, Window World Management Services had been operating since first quarter 2024 were sold to a single buyer. Each store's selling price and payment terms were as follows:

- \$500,000 selling price
- \$50,000 down payment
- \$250,000 financed amount
- Finance term 48 months, interest rate 5%, first payment due June 1, 2025
- Monthly payment \$4,606

Cash and Cash Equivalents

Note P – Stock Redemption

The Company defines its cash and cash equivalents as checking and money market accounts. The Company redeemed 59,770 shares of the then 60,000 outstanding shares of stock from its then current shareholders in September 2007 in a complete liquidation of their current interest in the Company.

Accounts Receivable

The Company uses a combination of historical loss information and economic forecasts that are reasonable and supportable to determine expected credit losses from trade receivables. For the years ended December 31, 2023, 2022, and 2021, the composition of trade receivables at year end had been consistently similar. The Company's credit terms and practices, as well as the creditworthiness of its customer base, have not changed significantly. Consequently, even though as of December 31, 2023, reasonable and supportable economic forecasts are uncertain about the economy, management's use of a conservative allowance for doubtful accounts is appropriate. The Company's management is keeping the Allowance for Credit Losses at \$10,000. Management believes that this figure results in the presentation on the balance sheet of the amount of accounts receivable that the Company reasonably expects to collect.

Depreciation of Property and Equipment

Property and equipment are recorded at cost. Major improvements which substantially increase an asset's life are capitalized and repairs are expensed in the period incurred. In December 2007, the Company entered into an agreement with a financial institution in regard to a prime line credit and the agreement specifies that a predetermined amount of business be generated for the financial institution over a 60-month period in return for an advance payment of \$5,000,000 that the Company received. This advance payment represents deferred retention income, and it is to be amortized over the 60-month contract term. On December 31, 2024, deferred retention income is \$2,000,000; at December 31, 2023 it is \$3,000,000; and at December 31, 2022, it is \$4,000,000.

(Modified graphics)

Window World, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022
Window World, Inc.
Notes to Financial Statements
December 31, 2023, 2022, and 2021
Note R – In-house Software Development

Note A – Summary of Significant Accounting Policies (Continued)

In 2018, the Company began development of a Customer Relationship Management (CRM) software package that will help its franchisees better organize and manage their sales leads and other customer data. Development of this package, which the Company calls 360 Software, intensified during 2019, with a team of employees and contractors working significant hours to write, test, and improve the core program.

	<u>Years</u>
Buildings and improvements	15 & 39
Furniture and fixtures	7
Machinery and equipment	5 & 7
Vehicles and airplane	5

Accounting principles generally accepted in the United States of America require wages, fees, and other costs of in-house core software development to be capitalized and depreciated over the expected economic life of the software package. The Company's management estimates 360 Software's economic life to be 10 years. Accordingly, these costs, which totaled \$509,944 and were capitalized on July 1, 2019, appear with the Company's other fixed assets on its December 31, 2024, 2023, and 2022 balance sheets, and are being depreciated over 10 years. Depreciation expense associated with these costs was \$50,994 per year for the years ended December 31, 2024, 2023 and 2022. The undepreciated amount of these costs was \$229,477 at December 31, 2024, \$280,471 at December 31, 2023, and \$331,465 at December 31, 2022.

The Company calculates operating lease liabilities using the prime rate and a comparable period with the lease term. All lease and non-lease components are combined for all leases. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized.

Prior to 2023, Window World, Inc.'s two largest vendors set aside a portion of their sales to Window World franchisees for use in marketing expenditures, the purpose of which was to promote the products offered to Window World. The vendors allocated their expenditures against this fund and the Company did the same. At the end of each fund year (March 31; the year is from calendar second quarter of one year to calendar first quarter of the next year), the company and the vendors met and reconciled their expenditures. If the reconciled total was less than the portion specified, the difference was paid to Window World, Inc. As of January 1, 2008, the Company elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income. The Company is also not allowed a net operating loss carryover or carryback as a deduction. Instead, the stockholder is liable on her individual income tax return for federal income taxes on her respective share of taxable income and/or net operating loss.

For the years ended December 31, 2024 and 2023, the program operates the same way, but additional vendors began participating in it, thus leading to an increase in the total allowance for each year. The following federal and state tax returns filed or to be filed remain open for examination by the corresponding tax authorities: 2023, 2022, 2021, and 2020.

Note T – Certain Leasing Arrangements with Entities under Common Control

Consolidation Policy

In accounting for the leasing arrangement between the Company and its landlord, who share the same owner, Window World, Inc. is the sole owner of two Limited Liability Companies, WW Management Services, LLC and Window World Technologies, LLC. For the years ended December 31, 2023, 2022, and 2021, both entities' financial position and results of operations were consolidated with those of Window World, Inc. since the Company will assume all of the expected income and expenses of these entities for the entire year.

WW Management Services, LLC (WWMS, LLC) was formed in November 2019. Its purpose is to provide management services to franchisees who enter into management agreements with it. Occasionally, WWMS, LLC also temporarily operates stores that were formerly owned by Window World franchisees until a new owner is found for the franchise.

(Modified graphics)

Window World, Inc.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

Note U – Mediation Settlement

Note A – Summary of Significant Accounting Policies (Continued)

In 2022, the Company, upon the advice of its counsel, entered into a settlement agreement and mutual release with Window World Technologies, LLC. Window World Technologies, LLC was formed in January 2020. Its purpose is to provide installation and support services for the Company's customer relationship management software package (see Note R). When a store begins using this software, they pay a \$600 one-time start-up fee, which the Company's management has elected to amortize over the ten-year life of the software license in conformity with FASB Topic 606. Once a store is established on the software, it pays monthly service and support fees of \$500. For the years ended December 31, 2023, 2022, and 2021, respectively, WW Technologies, LLC reported \$494,771, \$345,454, and \$257,162 in total fees on the Consolidated Income Statement.

The Company adopted both parts of the new guidance that concerning evaluating whether a common control arrangement is a lease, and Part 2 concerning accounting for leasehold improvements in common control arrangements) prospectively. This means that only common control arrangements arising or modified on or after January 1, 2024 will be evaluated under the new guidance. As of December 31, 2023, the Company has no outstanding notes payable. See Note P for information regarding the termination of the Company's obligation to use the note payable that is outstanding at both December 31, 2022 and 2021.

At December 31, 2022, the Company's outstanding note payable is as follows:

Description	Security	Amount
Note Payable		

Interest Rate 2.00% per Annum	Cash, Accounts Receivable, Fixed Assets	
Monthly Payment of \$106,337		\$11,446,808
Due October 2032		
Less current portion		(1,056,758)
		\$10,390,050

Effective January 1, 2022, the Company adopted ASU 2023-01, Measurement of Credit Losses on Financial Instruments. The Company adopted this ASU using the modified retrospective approach and made a cumulative effect adjustment to Retained Earnings as of January 1, 2021. The primary result of implementing this ASU is the adoption and calculation of an allowance for credit losses for the Company's accounts receivable.

The following is a schedule of future payments required under the terms of the note payable as of December 31, 2022:

Year Ending December 31,	Amount
2023	\$ 1,056,759
2024	1,078,089
2025	1,099,849
2026	1,122,049
2027	1,144,697
Thereafter	5,945,305
	\$11,446,808

As of January 1, 2022, there were approximately \$1,200,000 in operating lease right-of-use assets and corresponding lease liabilities were recognized. Adoption of the new guidance did not have a significant impact to the statement of income or statement of cash flows for the year ended December 31, 2022.

(Modified graphics)

Window World, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022

Note V – New Accounting Guidance Implementation and Prior Year Corrections (Continued)
Note B – Note Payable (Continued)

In implementing FASB Topic 842, an error was made which resulted in an \$11,358 understatement of operating lease right-of-use assets and a corresponding overstatement of expense. This error has been corrected and the comparative financial statements for the year ended December 31, 2022 have been adjusted to reflect this correction.

Description	Security	Amount
Note Payable – One		
Interest Rate 2.00% per Annum	Cash, Accounts	
Monthly Payment of \$106,337	Receivable, Fixed	
Due October 2032	Assets	\$12,482,658
Less current portion		(1,035,851)
		<u>\$11,446,807</u>

The following is a schedule of future payments required under the terms of the note payable as of December 31, 2021. The following balance sheet and income statement line items for the year ended December 31, 2022 were affected by the implementation of ASU 2016-13 and these corrections:

	Year Ending December 31,	Amount	
<u>Balance Sheet</u>			
	2022		\$ 1,035,851
	2023	<u>After</u>	<u>Before</u> Effect of
	2024		1,056,750 Change
Accounts Receivable	2025	\$ 5,809,736	\$ 5,815,286 1,078,089
	2026		1,099,849 (5,550)
Operating Lease Right-of-Use Assets	Thereafter	841,051	829,693 1,122,049
			<u>7,090,061</u> 11,358
Shareholder Distributions		11,491,664	10,802,115 <u>\$12,482,658</u> 689,549
		27,155,841	27,165,841 (10,000)

Note C – Description of Leasing Arrangements

The Company leases its corporate headquarters, a hangar for its company airplane, and three photocopiers under operating leases with five-year initial terms. The lease for the corporate headquarters includes a renewal option which can extend the lease term fifteen years, as well as an alternate provision that allows the lessee to remain after the expiration of the initial term with a month-to-month tenancy. Whether to exercise the renewal option, choose a month-to-month tenancy, or neither is at the sole discretion of the Company, and currently it is not reasonably certain which action management will take, so the renewal option is not included in the measurement of the lease asset and liability.

While all of the agreements provide for minimum lease payments, one includes payments adjusted for inflation, and another one variable payments based on excess usage. Variable payments are not

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Window World, Inc.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

Note C – Description of Leasing Arrangements (Continued)

determinable at the lease commencement and are not included in the measurement of the lease asset and liability. The lease agreements do not include any material residual value guarantees or restrictive covenants.

The following summarizes the line items in the balance sheet which include amounts for operating leases as of December 31, 2023:

Operating Lease Right of Use Assets	<u>\$559,452</u>
Current Portion of Operating Lease Liabilities	\$443,541
Noncurrent Portion of Operating Lease Liabilities	<u>115,911</u>
Total Operating Lease Liabilities	<u>\$559,452</u>

The components of operating lease expenses that are included in “Operating Expenses” in the consolidated statement of income for the year ended December 31, 2023 were as follows:

Operating Lease Cost	\$460,176
Variable Lease Cost	4,054

The following summarizes the cash flow information related to operating leases for the year ended December 31, 2023:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows for operating leases	\$460,176
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Lease assets obtained in exchange for lease liabilities:

Operating leases	\$989,883
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Weighted average lease term and discount rate as of December 31, 2023 were as follows:

Weighted average remaining lease term	2.6 years
Weighted average discount rate	4.75%

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Window World, Inc.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

Note C – Description of Leasing Arrangements (Continued)

The maturities of operating lease liabilities as of December 31, 2023 were as follows:

2024	\$468,454
2025	46,305
2026	42,011
2027	36,000
2028	<u>6,000</u>
Total lease payments	\$598,770
Less: Interest	<u>(39,318)</u>
Present value of lease liabilities	<u>\$559,452</u>

The following summarizes the line items in the balance sheet which include amounts for operating leases as of December 31, 2022:

Operating Lease Right of Use Assets	<u>\$841,051</u>
Current Portion of Operating Lease Liabilities	\$408,723
Noncurrent Portion of Operating Lease Liabilities	<u>432,328</u>
Total Operating Lease Liabilities	<u>\$841,051</u>

The components of operating lease expenses that are included in “Operating Expenses” in the consolidated statement of income for the year ended December 31, 2022 were as follows:

Operating Lease Cost	\$459,861
Variable Lease Cost	431

The following summarizes the cash flow information related to operating leases for the year ended December 31, 2022:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows for operating leases	\$459,861
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Lease assets obtained in exchange for lease liabilities:

Operating leases	\$1,269,373
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Window World, Inc.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

Note C – Description of Leasing Arrangements (Continued)

Weighted average lease term and discount rate as of December 31, 2022 were as follows:

Weighted average remaining lease term	1.9 years
Weighted average discount rate	3.25%

The maturities of operating lease liabilities as of December 31, 2022 were as follows:

2023	\$430,176
2024	432,454
2025	10,305
2026	6,011
2027	<u>- 0 -</u>
Total lease payments	\$878,946
Less: Interest	<u>(37,895)</u>
Present value of lease liabilities	<u>\$841,051</u>

Note D – Month-to-Month Rental Commitments

Since January 1, 2017, the Company has been leasing a condominium located in North Wilkesboro, NC on a month-to-month basis, with monthly rent payments of \$900. Management did not terminate this lease in 2023, and management is reasonably certain that it will not terminate this lease within the next twelve months from December 31, 2023. Consequently, as of December 31, 2023 and 2022, the Company has an annual future payment commitment under this lease of \$10,800.

On December 1, 2021, the Company signed a one-year lease on a second condominium located in North Wilkesboro, NC, with monthly rent payments of \$1,100. On December 1, 2022, this lease converted to a month-to-month tenancy with no change in the monthly rent amount. Management did not terminate this lease in 2023, and management is reasonably certain that it will not terminate this lease within the next twelve months from December 31, 2023. Consequently, as of December 31, 2023 and 2022, the Company has an annual future payment commitment under this lease of \$13,200.

Rent costs associated with both condominiums were \$24,000 for the years ended December 31, 2023 and 2022. For the year ended December 31, 2021, rent costs associated with the first condominium were \$10,800, and those associated with the second condominium were \$1,100.

The Company leases a condominium in Myrtle Beach, SC from WTW Condos, LLC (a single-member LLC owned by the Company's sole shareholder). The lease is a month-to-month agreement with

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Window World, Inc.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

Note D – Month-to-Month Rental Commitments (Continued)

monthly rent payments of \$5,500. In addition, the Company is responsible for cleaning, maintenance, and repair costs, which vary from year to year. Management did not terminate this lease in 2023, and management is reasonably certain that it will not terminate this lease within the next twelve months from December 31, 2023. Consequently, as of December 31, 2023, 2022, and 2021, the Company has an annual minimum future payment commitment under this lease of \$66,000.

Rent costs associated with this lease, including base rent, cleaning, maintenance, and repair costs, were \$84,724, \$79,517, and \$82,543 for the years ended December 31, 2023, 2022, and 2021, respectively.

Note E – Line of Credit

The Company had an agreement with a financial institution for a revolving line of credit for \$1,750,000 collateralized by the Company's business assets. The line of credit is subject to interest at the financial institution's prime rate plus 0.00%. There was no balance due on this line of credit at December 31, 2022, or at December 31, 2021. The line of credit was up for renewal on April 1, 2023, and was not renewed. See Note O for information on a new line of credit with a different financial institution that management plans to open subsequent to December 31, 2023.

Note F – Advertising Expense

Advertising costs are expensed in the period incurred and not over the life of the advertising. Advertising expense was \$4,142,835 for 2023, \$3,295,618 for 2022, and \$2,204,132 for 2021.

Note G – Interest Expense

Interest expense was \$138,692 for the 12 months ending December 31, 2023, \$239,301 for the 12 months ending December 31, 2022, and \$262,405 for the 12 months ending December 31, 2021.

Note H – Compensated Absences

The Company has not accrued compensated absences because the amount cannot be reasonably estimated.

Note I – Management's Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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Window World, Inc.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

Note I – Management's Estimates (Continued)

In particular, management has estimated the following amount representing Marketing Allowances receivable from six of its major suppliers as of December 31, 2023:

Marketing Fund Receivable	\$2,100,000
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This amount represents management's and the suppliers' best estimate of the April 2023 to March 2024 Marketing Allowance to be received in the second quarter of 2024. It is included in the total accounts receivable balance of \$6,691,744 at December 31, 2023. See Note S for information on this allowance.

Management has estimated the following amount representing Marketing Allowances receivable from two of its major suppliers as of December 31, 2022:

Marketing Fund Receivable	\$1,750,000
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This amount represents management's and the suppliers' best estimate of the April 2022 to March 2023 Marketing Allowance to be received in the second quarter of 2023. It is included in the total accounts receivable balance of \$5,809,736 at December 31, 2022. See Note S for information on this allowance.

Management has estimated the following amount representing Marketing Allowances receivable from two of its major suppliers as of December 31, 2021:

Marketing Fund Receivable	\$2,350,000
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This amount represents management and the suppliers' best estimate of the April 2021 to March 2022 Marketing Allowance to be received in the second quarter of 2022. It is included in the total accounts receivable balance of \$7,014,234 at December 31, 2021. See Note S for information on this allowance.

Note J – Related-Party Transactions

The following related parties either owed the Company non-interest-bearing loans or (the Company owed them non-interest-bearing loans) at December 31:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Window World International, LLC	\$ 458,659	\$ 431,741	\$ 391,881
Window World of Boston, LLC	(63,910)	(63,910)	(63,910)
Window World Holdings, Inc.	(947,505)	(1,014,545)	(1,062,167)
Holdings Investments I, LLC	882,075	882,075	882,075
Perfect Investments, LLC	<u>175</u>	<u>175</u>	<u>175</u>
	<u>\$ 329,494</u>	<u>\$ 235,536</u>	<u>\$ 148,054</u>

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Window World, Inc.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

Note J – Related-Party Transactions (Continued)

The Company leases its corporate headquarters office building in North Wilkesboro, North Carolina from Perfect Investments, LLC (a single-member LLC owned by the Company's sole shareholder). This lease is included in the leasing arrangements described in Note C.

The Company leases a condominium in Myrtle Beach, SC from WTW Condos, LLC (a single-member LLC owned by the Company's sole shareholder). This lease is included in the month-to-month rental commitments described in Note D.

The Company's former founding shareholder owed the Company \$1,487,752 at December 31, 2023, 2022 and 2021.

Note K – Market Concentrations

Except as noted in the next paragraph, there are no material market concentrations, as the Company's stores span most of the country, and it has multiple window, siding, and door manufacturers who supply products to its franchisees.

Management observed that, if the Company prevails in the lawsuits discussed in Note N, it will need time to find qualified franchisees to replace the ones who initiated the litigation. Therefore, until suitable replacement franchisees are found and have time to build their goodwill and sales volume, the Company's revenue would be reduced.

Note L – Concentration of Credit Risks

The Company from time to time may exceed FDIC insured amounts in its bank accounts. The Company has not experienced any losses with these amounts. The Company exceeded the insurance threshold at December 31, 2023, 2022 and 2021.

The accounts receivable balance at December 31, 2023 was 19.2% and 13.6% from two customers respectively. Those same two customers' share of the accounts receivable balance at December 31, 2022 was 23.6% and 14.2%, respectively, and at December 31, 2021 it was 36.1% and 20.2% - the customers being the Company's two largest suppliers of its windows.

Note M – 401(k) Retirement Plan

The Company sponsors a 401(k) retirement plan covering most of its employees. Full-time employees are eligible to participate in the plan after completing one year of service. The Company makes matching contributions based upon the level of employees' contributions.

In addition, if it chooses to, the Company can make a discretionary profit-sharing contribution to the Plan that is prorated among all eligible employees based on their eligible compensation. For the years

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Window World, Inc.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

Note M – 401(k) Retirement Plan (Continued)

ended December 31, 2023 and 2022, the Company chose not to make such a contribution. For the year ended December 31, 2021, the Company did make a discretionary profit-sharing contribution in the amount of \$600,000.

Amounts expensed under this plan were \$197,790 in 2023, \$187,726 in 2022, and \$781,262 in 2021.

Note N – Contingent Liabilities

The Company is subject to various legal proceedings and claims which arise in the ordinary course of its business. Management believes the ultimate liability with respect to these actions will not materially affect the financial condition or results of operations of the Company.

The Company was involved in a lawsuit with two groups of its franchisees as of December 31, 2023, 2022 and 2021 that originated in 2015. The Company's counsel and management believe that, while these lawsuits could have detrimental effects to the Company's franchise relationships if the plaintiffs are successful, both believe the cases are defensible on their merits. The outcome of these cases is uncertain, but it is "reasonably possible" that a loss has been incurred; however, no estimate of such loss can be made as of the date of the Company's financials. The ultimate resolution of these claims against the Company for which the potential loss could not be determined may materially affect the Company's financial condition or results of operations.

The Company was involved in a lawsuit with one of its franchisees as of December 31, 2023, 2022 and 2021 that originated in 2018. The Company's counsel and management believe that, while this lawsuit could have detrimental effects to the Company's franchise relationships if the plaintiff is successful, both believe the case is defensible on its merits. The outcome of this case is uncertain, but it is "reasonably possible" that a loss has been incurred; however, no estimate of such loss can be made as of the date of the Company's financials. The ultimate resolution of this claim against the Company for which the potential loss could not be determined may materially affect the Company's financial condition or results of operations.

The Company was involved in a lawsuit with a former employee as of December 31, 2023, and as of December 31, 2022, that originated in 2022. The Company's counsel and management believe that, while this lawsuit could result in a loss if the plaintiff is successful, no estimate of such loss can be made as of the date of the Company's financials. Both the Company's counsel and management believe that this case is defensible on its merits and, as such, the Company is prepared to vigorously defend the action.

Note O – Evaluation of Subsequent Events

The Company has evaluated subsequent events through March 26, 2024, the date the financial statements were available to be issued. According to management's evaluation, the following

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Window World, Inc.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

Note O – Evaluation of Subsequent Events (Continued)

subsequent events were noted that potentially could have a material impact on the Company's financial results:

In the first quarter of 2024, WW Management Services took over two failing franchised stores. As of March 26, 2024, it is reasonably possible that WW Management Services will incur losses in connection with the operation of these stores until a new franchise owner is found for them; however, the amount of such losses cannot be reasonably determined.

In March 2024, the Company opened a new line credit with a financial institution with an available credit line of \$2,500,000.

Note P – Stock Redemption

The Company redeemed 59,770 shares of the then 60,000 outstanding shares of stock from its then current shareholders in September 2007 in a complete liquidation of their current interest in the Company.

An amount of \$25,200,000 was paid to one of these former shareholders for her interest in the Company, comprising an installment note for the full amount of \$25,200,000 to be paid in monthly principal and interest payments of \$106,337. The interest rate is fixed at 2.0%.

On August 25, 2023, this former shareholder passed away. Since the terms of the installment note called for her to be paid for the remainder of her life, the Company's obligation under this note terminated with her passing. The balance on the note at the time of her passing, \$10,744,652, was removed from the Company's liabilities and credited to its Retained Earnings account.

Note Q – Deferred Retention Income

In December 2021, the Company entered into an agreement with a financial institution in regard to a private label credit card. The agreement specifies that a predetermined amount of business be generated for the financial institution over a 60-month period in return for an advance payment of \$5,000,000 that the Company received. This advance payment represents deferred retention income, and it is to be amortized over the 60-month contract term. On December 31, 2023, deferred retention income is \$3,000,000, and at December 31, 2022, it is \$4,000,000. Since the advance payment under this revised agreement was received in December 2021, there is deferred retention income on the books at December 31, 2021 in the amount of \$5,000,000.

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Window World, Inc.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

Note R – In-house Software Development

In 2018, the Company began development of a Customer Relationship Management (CRM) software package that will help its franchisees better organize and manage their sales leads and other customer data. Development of this package, which the Company calls 360 Software, intensified during 2019, with a team of employees and contractors working significant hours to write, test, and improve the core program.

Accounting principles generally accepted in the United States of America require wages, fees, and other costs of in-house core software development to be capitalized and depreciated over the expected economic life of the software package. The Company's management estimates 360 Software's economic life to be 10 years. Accordingly, these costs, which totaled \$509,944 and were capitalized on July 1, 2019, appear with the Company's other fixed assets on its December 31, 2023, 2022 and 2021 balance sheets, and are being depreciated over 10 years. Depreciation expense associated with these costs was \$50,994 per year for the years ended December 31, 2023, 2022 and 2021. The undepreciated amount of these costs was \$280,471 at December 31, 2023, \$331,465 at December 31, 2022, and \$382,459 at December 31, 2021.

Note S - Marketing Allowance Program

Prior to 2023, Window World, Inc.'s two largest vendors set aside a portion of their sales to Window World franchisees for use in marketing expenditures, the purpose of which was to promote the products offered to Window World. The vendors allocated their expenditures against this fund and the Company did the same. At the end of each fund year (March 31; the year is from calendar second quarter of one year to calendar first quarter of the next year), the company and the vendors met and reconciled their expenditures. If the reconciled total was less than the portion specified, the difference was paid to Window World, Inc.

For 2023, the program operates the same way, but additional vendors began participating in it, thus leading to an increase in the total allowance.

Note T – Certain Leasing Arrangements with Entities under Common Control

In accounting for the leasing arrangement between the Company and its landlord, who share the same owner, the Company has adopted the accounting alternative offered to private companies in FASB ASU 2018-17 for such leasing arrangements. Under this alternative, the Company does not consolidate the landlord's financial results with its own as a variable interest entity. Instead, the Company discloses the leasing arrangements for Perfect Investments, LLC and WTW Condos, LLC as related-party transactions. See Note J for this disclosure.

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Window World, Inc.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

Note U – Mediation Settlement

In 2022, the Company, upon the advice of its counsel, entered into a settlement agreement and mutual release whereby the Company paid \$125,000 to resolve a claim with one of its former franchisees that originated in 2021.

Note V – New Accounting Guidance Implementation and Prior Year Corrections

Effective January 1, 2023, the Company adopted Accounting Standards Update (ASU) 2016-13, *Measurement of Credit Losses on Financial Instruments*. The Company adopted this new guidance using the modified retrospective approach and made a cumulative effect adjustment to Retained Earnings as of January 1, 2021, the beginning of the earliest year presented in these comparative financial statements. The primary result of implementing this ASU is the adoption and calculation of an allowance for credit losses for the Company's accounts receivable.

Effective January 1, 2022 the Company changed its accounting method for leases as a result of implementing the requirements in FASB Topic 842, *Accounting for Leases*, using the modified retrospective transition method. There was no cumulative effect adjustment to the Company's balance sheet as of January 1, 2022.

The new lease guidance requires the recognition of a right of use asset and a lease liability for operating leases. The Company elected the package of practical expedients, which allowed, among other things, for not reassessing the lease classification or initial direct costs for existing leases. The Company has not elected the hindsight practical expedient.

As of January 1, 2022, approximately \$1,200,000 in operating lease right of use assets and corresponding lease liabilities were recognized. Adoption of the new guidance did not have a significant impact to the statement of income or statement of cash flows for the year ended December 31, 2022.

In implementing FASB Topic 842, an error was made which resulted in an \$11,358 understatement of operating lease right of use assets and a corresponding overstatement of expense. This error has been corrected and the comparative financial statements for the year ended December 31, 2022 have been adjusted to reflect this correction.

Also for the year ended December 31, 2022, the Company's management elected to have it pay state income tax on its earnings in twenty-five states. The Company then included these taxes as an expense on its income statement for 2022. However, subsequent accounting recommendations have stated that, because these taxes ultimately help shareholders (by allowing them to benefit from deducting these taxes when they otherwise would not be able to) and not the Subchapter S corporation itself, they should be treated as shareholder distributions rather than expenses of the Subchapter S corporation. Accordingly, the comparative financial statements for the year ended December 31, 2022 have been adjusted to reflect this change in treatment.

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Window World, Inc.
Notes to Financial Statements
December 31, 2023, 2022, and 2021

Note V – New Accounting Guidance Implementation and Prior Year Corrections (Continued)

The following balance sheet and income statement line items for the year ended December 31, 2022 were affected by the implementation of ASU 2016-13 and these corrections:

Balance Sheet

	<u>After</u>	<u>Before</u>	<u>Effect of Change</u>
Accounts Receivable	\$ 5,809,736	\$ 5,815,286	\$ (5,550)
Operating Lease Right-of-Use Assets	841,051	829,693	11,358
Shareholder Distributions	11,491,664	10,802,115	689,549
Retained Earnings	27,155,841	27,165,841	(10,000)
Net Income	19,728,718	19,023,361	705,357

Income Statement

	<u>After</u>	<u>Before</u>	<u>Effect of Change</u>
Interest Expense	\$ 239,301	\$ 270,838	\$ (31,537)
Rental Expense	602,976	582,797	20,179
Bad Debt Expense	- 0 -	4,450	(4,450)
Pass-Through Entity Tax	- 0 -	689,549	(689,549)
Net Income	19,728,718	19,023,361	705,357

The following balance sheet line items for the year ended December 31, 2021 were affected by the implementation of ASU 2016-13:

Balance Sheet

	<u>After</u>	<u>Before</u>	<u>Change</u>
Accounts Receivable	\$ 7,014,234	\$ 7,024,234	\$ (10,000)
Retained Earnings	15,683,361	15,693,361	(10,000)

(Modified graphics)

Window World, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2021

Note V – New Accounting Guidance Implementation and Prior Year Corrections (Continued)

Income Statement
For the year ended December 31, 2021, there were no income statement line items affected by implementing ASU 2016-13.

	<u>After</u>	<u>Before</u>	<u>Effect of Change</u>
Interest Expense	\$ 239,301	\$ 270,838	\$ (31,537)
Rental Expense	602,976	582,797	20,179
Bad Debt Expense	- 0 -	4,450	(4,450)
Pass-Through Entity Tax	- 0 -	689,549	(689,549)
Net Income	19,728,718	19,023,361	705,357

**CALIFORNIA APPENDIX FOR OFFERINGS
OF WINDOW WORLD FRANCHISES IN CALIFORNIA**

If your franchise is located in California, the following will apply:

Each provision of this California addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of California law are met independently without reference to this addendum. Each provision of this California addendum shall be enforceable only to the extent required by applicable California franchise law.

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

2. ~~1.~~ OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT ~~WWW.DFPI.CA.GOV~~ WWW.DFPI.CA.GOV.

3. ~~2.~~ No person or franchise broker listed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a, et seq., suspending or expelling such persons from membership in such association or exchange.

4. ~~3.~~ THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

5. ~~4.~~ Item 17 ~~Additional Paragraphs~~ of the Franchise Disclosure Document is supplemented by the following language:

- A. California Business and Professional Code Sections §§ 20000 through 20043 provide rights to the franchisee concerning the termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.
- B. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, et seq.).
- C. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

- D. The franchise agreement requires litigation to occur in ~~the 23rd Judicial District in courts~~ having competent jurisdiction for Wilkes County, North Carolina, with the costs initially being borne by each party, unless the disputed provision in the franchise agreement provides for payment by the losing party of the prevailing party's attorneys' fees and costs of litigation. This provision may not be enforceable under California law. However, the prevailing party is entitled to recover its reasonable costs and expenses incurred in the prosecution or defense of the action. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code section 20040.5, Code of Civil Procedure section 1281, and the Federal Arbitration Act) to any provisions of the Agreement restricting venue to a forum outside the State of California.
- E. The franchise agreement requires application of the laws of North Carolina. This provision may not be enforceable under California law.

6. ~~5.~~ Item 19 Additional Paragraph:

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

~~6. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as business and Professions Code § 20040.5, Code of Civil Procedures 1281, and the Federal Arbitrations Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California.~~

7. ~~7.~~ Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

8. ~~8.~~ You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

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

CALIFORNIA ADDENDUM TO THE FRANCHISE AGREEMENT

Window World, Inc. and the undersigned franchisee have entered into a Window World franchise agreement ("Franchise Agreement") and desire to amend its terms as set forth below. The parties hereto agree as follows:

1. The following statement is hereby added to the Franchise Agreement:

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

Each provision of this California addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of California law are met independently without reference to this addendum. Each provision of this California addendum shall be enforceable only to the extent required by applicable California franchise law.

IN WITNESS WHEREOF, the parties hereto have caused this addendum to be duly signed as of _____.

WINDOW WORLD, INC.

FRANCHISEE (Print Name)

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

HAWAII

~~THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.~~

Each provision of this Hawaii addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of Hawaii law are met independently without reference to this addendum. Each provision of this Hawaii addendum shall be enforceable only to the extent required by applicable Hawaii franchise law.

~~THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.~~

~~THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.~~

Items 5 and 7 of the Franchise Disclosure Document and the Franchise Agreement are revised to include the following statement:

The Hawaii Department of Commerce and Consumer Affairs requires us to defer payment of the initial franchise fee and all other initial payments owed by you to us until we have completed our pre-opening obligations under the Franchise Agreement and your franchised business is open for business. Therefore, the Franchise Agreement is hereby amended for Hawaii franchisees to defer payment of the initial franchise fee until we have completed our pre-opening obligations under the franchise agreement and your franchise is open for business.

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

ILLINOIS

Each provision of this Illinois addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of Illinois law are met independently without reference to this addendum. Each provision of this Illinois addendum shall be enforceable only to the extent required by applicable Illinois franchise law.

The Disclosure Document and the Franchise Agreement are amended to include the following:

Illinois law governs the Franchise Agreement(s).

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

~~Your~~To the extent required by Illinois law, your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

~~In~~To the extent required by Illinois law, in conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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

The following are added as Risk Factors in the Disclosure Document:

In this franchise system, the "royalties" paid are derived from the funds paid to designated suppliers for purchases made of products or services. These "royalties" are the Franchisor's primary source of revenue.

You must honor Labor and Warranty policies in this franchise system. This means that you may be responsible for all labor and costs associated with certain repairs in your Territory that are required under the labor guarantees, even if you did not procure the original sale.

You must commence business operations within 90 days of signing your Franchise Agreement.

The Franchisor may discontinue any or all segments of its online presence for the Window World system at any time WITHOUT NOTICE to you.

~~AGREED:~~

WINDOW WORLD, INC.

FRANCHISEE (Print Name)

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

MARYLAND

Disclosure Document Addendum

1. Item 17 is revised to provide that, to the extent required by Maryland law, a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
2. Item 17(c) (renewal) and 17(m) (transfer) are revised to provide that, to the extent required by Maryland law, the requirement to sign a general release as a condition of renewal or consent to an assignment, or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
3. Item 17 is revised to provide that, to the extent required by Maryland law, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
4. Item 17 is revised to provide that a provision in the franchise agreement which terminates the franchise upon the bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101, ~~but we intend to enforce it to the extent enforceable~~.
5. The disclosure document is revised to include the following: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Franchise Agreement Addendum

1. Sections 14(a) and 14(c) of the Agreement are revised to provide that termination upon bankruptcy might not be enforceable under the U.S. Bankruptcy Act, ~~but we intend to enforce it to the extent enforceable~~.
2. Sections 2(b) and 11(d) of the Agreement are revised to provide that, to the extent required by Maryland law, the requirement to sign a general release as a condition of renewal or consent to an assignment, or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
3. Section 18(g) of the Agreement is revised to include the following language:

“Notwithstanding the provisions of this Agreement to the contrary, and to the extent required by Maryland law, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise, to the extent required by Maryland law”

~~4. Each provision of this Addendum to the Franchise Agreement shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.~~

~~54.~~ The Agreement is revised to include the following: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

~~65.~~ The following terms apply to all ~~Agreements~~agreements contained herein:

All representations ~~Agreement in the agreement~~ requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law, to the extent required by Maryland law.

~~76.~~ The following provisions of the Agreement are deleted:

- a. The following language in Section 4(c); "IF FRANCHISEE BELIEVES FRANCHISOR HAS FAILED TO ADEQUATELY PROVIDE ANY PRE-OPENING OR OPENING PRODUCTS OR SERVICES TO FRANCHISEE, FRANCHISEE MUST NOTIFY FRANCHISOR IN WRITING WITHIN THIRTY (30) DAYS FOLLOWING THE OPENING OF THE FRANCHISED BUSINESS OR FRANCHISEE WILL BE DEEMED TO CONCLUSIVELY ACKNOWLEDGE THAT ALL PRE-OPENING AND OPENING PRODUCTS AND SERVICES REQUIRED TO BE PROVIDED BY FRANCHISOR WERE SUFFICIENT AND SATISFACTORY, AND COMPLIED WITH ALL REPRESENTATIONS MADE TO FRANCHISEE. IF FRANCHISEE FAILS TO SO NOTIFY FRANCHISOR, FRANCHISEE WILL BE DEEMED TO HAVE WAIVED ALL CLAIMS RELATING TO OR ARISING FROM FRANCHISOR'S OBLIGATIONS TO PROVIDE PRE-OPENING OR OPENING PRODUCTS OR SERVICES."
- b. The following language in Section 6(b): "FRANCHISEE EXPRESSLY ACKNOWLEDGES AND AGREES THAT FRANCHISOR'S ACCEPTANCE OF ANY PREMISES IS NOT AND SHALL NOT BE CONSTRUED AS A GUARANTEE OR ASSURANCE THAT THE FRANCHISED BUSINESS WILL BE PROFITABLE. Franchisee hereby acknowledges and agrees that Franchisor's acceptance of a Premises does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of each Premises for the Franchised Business or for any other purpose."
- c. The following language in Section 6(b): "Franchisee further acknowledges and agrees that selection of a Premises is based on its own independent investigation of the suitability of each Premises."
- d. The following language in Section 8(f): "Franchisor expressly disclaims and Franchisee hereby acknowledges that Franchisee has not received or relied upon any warranty

regarding the success of any advertising plans or materials recommended by Franchisor for use by Franchisee.

- e. All of the language in Section 17(h): “FRANCHISEE ACKNOWLEDGES THAT IT HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE PROPOSED FRANCHISE AND RECOGNIZES THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS AND THAT ITS SUCCESS WILL BE LARGELY DEPENDENT UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS ~~OWNER OR BUSINESS~~. FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY WARRANTY, OR GUARANTEE, OR REPRESENTATION OTHER THAN AS SET FORTH IN THE DISCLOSURE DOCUMENT, EXPRESS OR IMPLIED, FROM ANY EMPLOYEE OR AGENT OF FRANCHISOR AS TO THE POTENTIAL SALES VOLUMES, PROFITS, OR LEVEL OF SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT. FRANCHISOR HAS NOT REPRESENTED THAT (I) FRANCHISEE WILL EARN, CAN EARN, OR IS LIKELY TO EARN A GROSS OR NET PROFIT, (II) FRANCHISOR HAS KNOWLEDGE OF THE RELEVANT MARKET, OR (III) THE MARKET DEMAND WILL ENABLE FRANCHISEE TO EARN A PROFIT FROM THE FRANCHISED BUSINESS. FRANCHISEE ACKNOWLEDGES THAT IT RECEIVED A COPY OF THE COMPLETE FRANCHISOR’S FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, THE ATTACHMENTS THERETO, AND THE AGREEMENTS RELATED THERETO, IF ANY, AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS SIGNED OR CONSIDERATION PAID.”

7. Each provision of this Addendum to the Franchise Agreement and FDD shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum. Each provision of this Addendum to the Franchise Agreement and FDD shall be enforceable only to the extent required by applicable Maryland franchise law.

AGREED:

WINDOW WORLD, INC.

FRANCHISEE (Print Name)

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

MINNESOTA

~~THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.~~

Each provision of this Minnesota addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of Minnesota law are met independently without reference to this addendum. Each provision of this Minnesota addendum shall be enforceable only to the extent required by applicable Minnesota franchise law.

Disclosure Document:

1. Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. ~~We~~To the extent required by Minnesota law, we will comply with ~~the~~ Minn. Stat. Sec. 80C.14, Suds. 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Agreement.

3. Item 13 is revised to include the following language:

"To the extent required by ~~the Minnesota Franchises Act~~law, we will protect your rights to use the ~~Trademark~~trademarks, service marks, trade names, logo types or other commercial symbols related to the ~~Trademark~~trademarks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the ~~Trademark~~trademarks, provided you are using the names and marks in accordance with the Franchise Agreement."

4. Items 17(c) and 17(m) are revised to provide that we cannot require you to sign a release of claims under the Minnesota Franchises act as a condition to renewal or assignment, to the extent required by Minnesota law.

5. ~~We~~To the extent required by Minnesota law, we are prohibited from requiring you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

6. ~~Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of Minnesota Statutes, Chapter 80C are met independently without reference to this Addendum.~~

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

Franchise Agreement:

1. ~~Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.~~
The Franchise Agreement is revised to include the following:

1. ~~2. We~~To the extent required by Minnesota law, Franchisor will comply with Minn. Stat. sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specific cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Agreement.

3. ~~The Franchise Agreement is revised to include the following:~~

2. a. ~~“To the extent required by the Minnesota Franchises Act, we~~Franchisor will protect your right to use the ~~Trademark~~trademarks, service marks, trade names, logo types or other commercial symbols, or indemnify ~~you~~Franchisee from any loss, costs, or expenses arising out of any claim, suit or demand regarding the use of the name, provided Franchisee is using the names and marks in accordance with the Franchise Agreement.”

3. b. ~~We are~~To the extent required by Minnesota law, Franchisor is prohibited from requiring ~~you~~Franchisee to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

4. ~~e. We are prohibited~~ To the extent required by Minnesota ~~Rule 2860.4400J~~ from requiring you to waive your rights to a jury trial and law any provision in the franchise agreement requiring such a waiver of Franchisee's rights to a jury trial is hereby deleted.

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

~~4.~~ Each provision of this ~~Addendum~~ Minnesota addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of Minnesota ~~Statutes, Chapter 80C~~ law are met independently without reference to this ~~Addendum~~ addendum. Each provision of this Minnesota addendum shall be enforceable only to the extent required by applicable Minnesota franchise law.

~~AGREED:~~

WINDOW WORLD, INC.

FRANCHISEE (Print Name)

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

NEW YORK

1. ~~1.~~ The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT E OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective

order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. The following is added to the franchise disclosure document:

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

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

Each provision of this New York addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of New York law are met independently without reference to this addendum. Each provision of this New York addendum shall be enforceable only to the extent required by applicable New York law.

NEW YORK ADDENDUM TO THE FRANCHISE AGREEMENT

Window World, Inc. and the undersigned franchisee have entered into a Window World franchise agreement ("Franchise Agreement") and desire to amend its terms as set forth below. The parties hereto agree as follows:

1. The following statement is hereby added to the Franchise Agreement:

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

Each provision of this New York addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of New York law are met independently without reference to this addendum. Each provision of this New York addendum shall be enforceable only to the extent required by applicable New York franchise law.

IN WITNESS WHEREOF, the parties hereto have caused this addendum to be duly signed as of _____.

WINDOW WORLD, INC.

FRANCHISEE (Print Name)

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

NORTH DAKOTA

Each provision of this North Dakota addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of North Dakota law are met independently without reference to this addendum. Each provision of this North Dakota addendum shall be enforceable only to the extent required by applicable North Dakota franchise law.

Disclosure Document

Item 17 of the Disclosure Document is revised to ~~provide that~~ include the following:

17.c: ~~Section 51-19-09 of the Franchise Investment Law prohibits a franchisee to assent to law, Franchisee is not required to sign a general release. To the extent any such general release is purported to be required by us, it is void with respect to all franchisees governed under the laws of North Dakota upon renewal of the Franchise Agreement.~~ To the extent required under applicable North Dakota law, Franchisee is not required to sign a general release. To the extent any such general release is purported to be required by us, it is void with respect to all franchisees governed under the laws of North Dakota upon renewal of the Franchise Agreement.

17.r: Covenants not to compete are generally considered unenforceable in the State of North Dakota and may be subject to Section 9-08-06 of the North Dakota Century Code.

17.u: ~~The~~ To the extent required under applicable North Dakota law, the site of arbitration or mediation will be a location mutually agreed upon by the parties.

17.v: The North Dakota Securities Commissioner prohibits us from requiring you to consent to the jurisdiction of courts located outside of North Dakota. ~~To, to the extent any such release is purported to be required by us, it is void with respect to all franchisees governed under the laws of~~ under applicable North Dakota law.

17.w: If you bring any claims relating to the Franchise Agreement and/or the relationship between you and us, and if you independently meet the jurisdictional requirements of North Dakota, then North Dakota law applies to your agreements with us will apply to such claims.

The disclosure document is revised to ~~provide~~ include the following:

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

Franchise Agreement

Franchise Agreement Section 2(b) and 11(d) are revised to ~~provide~~include the following:

The North Dakota Securities Commissioner prohibits ~~us~~Franchisor from requiring ~~you~~Franchisee to sign a general release upon renewal of ~~your~~the franchise. ~~To, to the extent any such release is purported to be required by us, it is void with respect to all franchisees governed under the laws of~~under applicable North Dakota law.

Franchise Agreement Section 12 is revised to ~~provide~~include the following:

Covenants not to compete are generally considered unenforceable in the State of North Dakota and may be subject to Section 9-08-06 of the North Dakota Century Code.

Franchise Agreement Sections 18(a) and (g) are revised to ~~provide~~include the following:

~~The~~To the extent required under applicable North Dakota law, the site of arbitration or mediation will be a location mutually agreed upon by the parties. The North Dakota Securities Commissioner prohibits us from requiring you to consent to the jurisdiction of courts located outside of North Dakota. ~~To, to the extent any such release is purported to be required by us, it is void with respect to all franchisees governed under the laws of~~under applicable North Dakota law.

Section 18(g) of the Franchise Agreement is revised to ~~provide~~include the following:

This Agreement will be construed according to the laws of North Dakota to the extent required by North Dakota law.

~~The Statute of Limitations~~statute of limitations on claims will be determined based upon North Dakota law, to the extent required under applicable North Dakota law.

The Franchise Agreement is revised to ~~provide~~include the following:

~~The~~To the extent required under applicable North Dakota law, the North Dakota Securities Commissioner prohibits us from requiring you to consent to a waiver of consequential, exemplary and punitive damages.

~~To the extent any such a waiver is purported to be required by us, it is void with respect to all franchisees governed under the laws of~~under applicable North Dakota law, the ~~The~~ North Dakota Securities Commissioner prohibits us from requiring you to consent to a waiver of your right to a jury trial. ~~To the extent any such a waiver is purported to be required by us, it is void with respect to all franchisees governed under the laws of North Dakota.~~

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor,

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

IN WITNESS WHEREOF, the parties hereto have caused this addendum to be duly signed as of

WINDOW WORLD, INC.

FRANCHISEE (Print Name)

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

RHODE ISLAND

Each provision of this Rhode Island addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of Rhode Island law are met independently without reference to this addendum. Each provision of this Rhode Island addendum shall be enforceable only to the extent required by applicable Rhode Island franchise law.

Disclosure Document

Item 17 of the Disclosure Document is revised to ~~provide that~~ include the following:

~~17.m: Section 19-28.1-14 of the Rhode Island Franchise Investment Act prohibits a franchisee to be restricted in choice of law provides that a provision in a franchise agreement restricting jurisdiction or venue. To the extent any such restriction is purported to be required by us, it to a forum outside Rhode Island or requiring the application of the laws of another state is void with respect to all franchisees governed under the laws of Rhode Island.~~

a claim otherwise enforceable under 17.w: Rhode Island law applies.

The Disclosure Document is revised to ~~provide that~~ include the following:

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

Franchise Agreement

Section 18(g) of the Franchise Agreement is revised to provide:

This Agreement will be construed according to the laws of Rhode Island to the extent required by Rhode Island law.

The Franchise Agreement is revised to provide that:

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

WINDOW WORLD, INC.

SOUTH DAKOTA

Each provision of this South Dakota addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of South Dakota law are met independently without reference to this addendum. Each provision of this South Dakota addendum shall be enforceable only to the extent required by applicable South Dakota franchise law.

Item 5 of the Franchise Disclosure Document and the Franchise Agreement are revised to include the following statement:

Pursuant to SDCL 37-5B-5, the South Dakota Division of Insurance requires us to defer payment of the initial franchise fee and other initial payments owed by you to us until we have completed our pre-opening obligations under the Franchise Agreement. Therefore, the Franchise Agreement is hereby amended for South Dakota franchisees to defer payment of the initial franchise fee until we have completed our pre-opening obligations under the franchise agreement.

The Franchise Disclosure Document and the Franchise Agreement are revised to include the following statement:

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

WINDOW WORLD, INC.

FRANCHISEE (Print Name)

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

VIRGINIA

Each provision of this Virginia addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of Virginia law are met independently without reference to this addendum. Each provision of this Virginia addendum shall be enforceable only to the extent required by applicable Virginia franchise law.

Disclosure Document

The following statements are added to Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

The following statement is added to Section 3(a)(i) of the Franchise Agreement and to Item 5 of the Disclosure Document:

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

The following is added to the Disclosure Document:

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

VIRGINIA ADDENDUM TO THE FRANCHISE AGREEMENT

Window World, Inc. and the undersigned franchisee have entered into a Window World franchise agreement ("Franchise Agreement") and desire to amend its terms as set forth below. The parties hereto agree as follows:

1. ~~2.~~ The following statement is hereby added to the Franchise Agreement:

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

Each provision of this Virginia addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of Virginia law are met independently without reference to this addendum. Each provision of this Virginia addendum shall be enforceable only to the extent required by applicable Virginia franchise law.

IN WITNESS WHEREOF, the parties hereto have caused this addendum to be duly signed as of

_____.

WINDOW WORLD, INC.

FRANCHISEE (Print Name)

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

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

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

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, ~~Chapter~~chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement in or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions ~~which may that~~ supersede the franchise agreement ~~in or related agreements concerning your relationship with the franchisor including the areas of termination and renewal of your franchise.~~ Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. ~~A release or waiver of rights executed by a franchisee in the franchise agreement or related agreements purporting to bind the franchisee may not include rights to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rule or order rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel—, in accordance with RCW 19.100.220(2).~~ A release or waiver of rights executed by a franchisee in the franchise agreement or related agreements purporting to bind the franchisee may not include rights to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rule or order rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel—, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. ~~Provisions such as those which contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.~~ Provisions such as those which contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any ~~provisions~~ provision contained in the franchise agreement or elsewhere that ~~conflict~~ conflicts with these limitations ~~are~~ is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

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

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

Each provision of this Washington addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of Washington law are met independently without reference to this addendum. Each provision of this Washington addendum shall be enforceable only to the extent required by applicable Washington franchise law.

The undersigned does hereby acknowledge receipt of this addendum.

Agreed to this _____ day of _____ 20_____.

WINDOW WORLD, INC.

FRANCHISEE

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**INDIANA, MICHIGAN, AND WISCONSIN ADDENDUM TO
THE DISCLOSURE DOCUMENT**

The following provision is added to the Disclosure Document:

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

Each provision of this addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of Indiana, Michigan, or Wisconsin law are met independently without reference to this addendum. Each provision of this addendum shall be enforceable only to the extent required by applicable Indiana, Michigan, or Wisconsin franchise law.

**INDIANA, MICHIGAN, AND ~~WASHINGTON~~ WISCONSIN ADDENDUM TO
FRANCHISE AGREEMENT**

Window World, Inc. and the undersigned franchisee have entered into a Window World franchise agreement ("Franchise Agreement") and desire to amend its terms as set forth below. The parties hereto agree as follows:

1. The following statement is hereby added to the Franchise Agreement:

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

Each provision of this addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of Indiana, Michigan, or Wisconsin law are met independently without reference to this addendum. Each provision of this addendum shall be enforceable only to the extent required by applicable Indiana, Michigan, or Wisconsin franchise law.

IN WITNESS WHEREOF, the parties hereto have caused this addendum to be duly signed as of _____.

WINDOW WORLD, INC.

FRANCHISEE (Print Name)

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT E
STATE AND FEDERAL REGULATORY AUTHORITIES

FEDERAL TRADE COMMISSION

Franchise Rule Coordinator
Federal Trade Commission Division of Marketing Practices
Pennsylvania Avenue at Sixth Street, N.W., Room 238
Washington, D.C. 20580
Telephone: (202) 326-2970

STATE FRANCHISE REGULATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA:

Commissioner of Financial Protection & Innovation
Department of Financial Protection and Innovation
320 West 4th St., Ste. 750
Los Angeles, California 90013
Telephone: (213) 576-7500 or
Toll Free Telephone: (866) 275-2677

HAWAII:

Commissioner of Securities
of the State of Hawaii
Department of Commerce and
Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
Telephone: (808) 586-2722

ILLINOIS (Registered Agent):

~~Tanya Solov~~ F. Chet Taylor, Director of Securities
Office of the Secretary of State
Securities Department
69 West Washington Street, Suite 1220
Chicago, IL 60602
Telephone: (312) 793-3884

ILLINOIS (Regulatory Authority):

Kwame Raoul
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
Telephone: (217) 782-4465

INDIANA:

~~Chris Naylor~~ Marie Castetter, Securities
Commissioner
Franchise Section
Indiana Securities Division

Secretary of State

Room E-111
302 West Washington Street
Indianapolis, IN 46204
Telephone: (317) 232-6681

MARYLAND (Registered Agent):

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020
Telephone: (410) 576-6360

MARYLAND (Regulatory Authority):

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020
Telephone: (410) 576-6360

MICHIGAN (Regulatory Authority):

Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
525 W. Ottawa Street
Lansing, MI 48909
Telephone: (517) 373-1152

MICHIGAN (Registered Agent):

Linda Cena, Securities Director
Office of Financial & Insurance Regulation
525 West Allegan
1st Floor Constitution Hall
Lansing, MI 48909
Telephone: (517) 241-6345

MINNESOTA:

Minnesota Dept. of Commerce
Securities-Franchise Registration

85 7th Place East, Suite 280
Saint Paul, MN 55101-2198
Telephone: (651) 539-1500

NEW YORK (Administrator/Regulatory Authority)
New York State Department of Law
Investor Protection Bureau
28 Liberty St., 21st Floor
New York, NY 10005
Telephone: (212) 416-8222

NEW YORK (Agent for Service of Process)
Secretary of State
99 Washington Avenue
Albany, NY 12231

NORTH DAKOTA:
North Dakota Securities Department
Fifth Floor State Capitol, Dept. 414
600 East Boulevard
Bismarck, ND 58505-0510
Telephone: (701) 328-2910

RHODE ISLAND:
Division of Securities
1511 Pontiac Ave., ~~Bldg 69-1~~
John O. Pastore Complex, Bld 69-1
Cranston, RI 02920
Telephone: (401) ~~222-3048~~ 462-9500

SOUTH DAKOTA:
Division of Insurance
Securities Regulation
124 S. Euclid, Ste. 104
Pierre, SD 57501
Telephone: (605) 773-3563

VIRGINIA (Registered Agent):
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
Telephone: (804) 371-9733

VIRGINIA (Regulatory Authority)
State Corporation Commission,
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
Telephone: (804) 371-9051

WASHINGTON:
Address for Service of Process:

Department of Financial Institutions
Securities Division
150 Israel Road, SW
Tumwater, WA 98501
Telephone: (360) 902-8760

Mailing Address:
Department of Financial Institutions
Securities Division
PO Box 41200
Olympia, WA 98504-1200

WISCONSIN:
Franchise Office
Wisconsin Securities Commission
P.O. Box 1768
Madison, WI 53701
Telephone: (608) 266-3364

(a) Not to use Confidential Information for any purposes whatsoever, other than for the sole purpose of inspecting and analyzing the information in an effort to determine whether to purchase a franchise from Window World, and solely in its operation of a Window World franchised business;

(b) Not to disclose Confidential Information to any third party;

(c) Not to disclose Confidential Information other than to only those of Prospective Franchisee's officers, directors and employees who have a need to know to perform the limited tasks set forth in Section 4(a) above; and who have agreed to the terms and obligations of this Agreement by affixing their signatures hereto;

(d) Not to copy Confidential Information or any portions thereof; and

(e) To return Confidential Information and all documents, notes, digital files, or physical evidence thereof, to Window World, upon a determination that Prospective Franchisee no longer has a need therefor, or a request therefor, from Window World, whichever occurs first.

5. SURVIVAL OF OBLIGATIONS. The restrictions and obligations of this Agreement shall survive any expiration, termination or cancellation of this Agreement and shall continue to bind Prospective Franchisee, his heirs, successors and assigns in perpetuity.

6. LIQUIDATED DAMAGES. Prospective Franchisee stipulates, agrees and acknowledges that if Prospective Franchisee breaches the terms of this Agreement, it will be impossible to measure the extent of damage that such breach will cause Window World. Therefore, the parties agree that upon breach by Prospective Franchisee of any of the terms set forth herein, Window World shall be entitled to recover the amount of One Hundred Thousand Dollars (\$100,000.00) as liquidated damages for the Prospective Franchisee's breach. Prospective Franchisee further agrees that such an amount of liquidated damages is fair and reasonable given the sensitivity and proprietary nature of the Confidential Information and the harm such breach will cause to Window World.

7. EQUITABLE RELIEF. Prospective Franchisee acknowledges that the Confidential Information to be disclosed to Prospective Franchisee is of a sensitive and proprietary character and the breach of any provision of this Agreement will cause Window World irreparable damage and injury. Window World shall be entitled, in addition to all other remedies available to it, to injunctive and equitable relief to prevent a breach of any part of this Agreement or to enforce any part of this Agreement.

8. NEGATION OF LICENSES. Except as expressly set forth herein, no rights to licenses, expressed or implied, are hereby granted to Prospective Franchisee as a result of or related to this Agreement.

9. ATTORNEYS' FEES. ~~In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all~~

~~costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.~~

109. GOVERNING LAW. This Agreement shall be deemed executed in the State of North Carolina regardless of actual place of signature or of the actual place of performance. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina. Prospective Franchisee hereby submits himself or herself to the jurisdiction of the courts of the State of North Carolina and agrees that the Courts of the 23rd judicial district for the state of North Carolina shall have exclusive personal and subject matter jurisdiction of any dispute between Window World and Prospective Franchisee relating to this Agreement.

In witness whereof, the parties hereto have caused this Agreement to be duly executed under seal.

Franchisor:

WINDOW WORLD, INC.

BY: _____
Tammy Whitworth, Chief Executive Officer

Prospective Franchisee(s):

Print name: _____

Print name: _____

Print name: _____

ADULTS-ONLY

Service Order Form

181 EASTWOOD DRIVE, SUITE 401, PO BOX 2225
 8 SOUTH DAKOTA 57060
 605 682 1234

[illegible][illegible]

Print Name: _____ Title: _____
Authorized Signature: _____ Date: _____ Account Mgr.: _____

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Page 1 of 3
SOFATC V79 03/28/22

DITIONS

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[illegible]

(Added graphics)

TRADEMARK ADDENDUM

By their signatures on the Service Order Form ("SOF") to which this Addendum is appended, Customer and the ESP agree to be bound by the terms and conditions, including the preamble paragraphs, of (i) Alternative A or Alternative B, as specified herein, and (ii) Sections 5 through 15 below. With respect to each Custom 800 or Repeater Number, if the "License" box on the SOF is checked, the provisions of Alternative A (sections A1-A2 below) shall apply; if the "Covenant" box on the SOF is checked, the provisions of Alternative B (sections B1-B4 below) shall apply.

ALTERNATIVE A (LICENSE)

WHEREAS, the ESP has adopted and used the service mark identified on the SOF ("Service Mark") in connection with advertising and promotion or marketing products and services for others; WHEREAS, the ESP (or "Licensor") is willing to grant to Customer (or "Licensee") licenses to use the Licensed Mark as defined below in connection with the advertising, promotion, marketing and sale of products and services and for advertising as the trade name and/or business name of Licensee (hereinafter collectively "Services"), said licenses subject to the terms and conditions contained herein;

NOW, THEREFORE, the parties agree as follows:

A1. Grant of License. Licensor reserves all rights in and to the Licensed Mark, except as specifically granted herein to Licensee. Licensee acknowledges that Licensor is the owner of all rights, title and interest in and to the Licensed Mark. Licensor hereby grants to Licensee, and Licensee hereby accepts, a non-exclusive license, without the right to sublicense, to use the Licensed Mark, including the rights from any application for U.S. registration thereof, in connection with the Services.

A2. Assignment. This Trademark Addendum shall benefit and be binding upon each of the parties hereto and their respective successors and assigns, but it may not be assigned in whole or in part by Licensee without the prior written consent of Licensor. Licensor shall not need Licensee's prior consent to assign this Trademark Addendum. This Trademark Addendum and the license hereby granted are personal to Licensee for all purposes, and Licensee may not grant sublicenses under this Trademark Addendum without the prior written consent of Licensor.

Skip to Section 5.

ALTERNATIVE B (COVENANT)

WHEREAS, the ESP has adopted and used various service marks incorporating the service mark identified on the SOF ("Service Mark") in connection with advertising and promotion or marketing products and services for others;

WHEREAS, Customer is desirous of using the Service Mark together with marks of others to advertise and promote products and services (the "Services");

WHEREAS, the ESP is willing to grant Customer a covenant not to sue based on the use by Customer of the Service Mark in connection with the Services, upon the terms hereinafter set forth;

NOW, THEREFORE, in consideration of the foregoing, and of the mutual covenants, terms and conditions hereinafter expressed, the parties hereto agree as follows:

B1. Covenant Not To Sue. With respect to Customer's use of the Service Mark in connection with the Services, the ESP hereby covenants not to enforce against Customer any rights that the ESP has with respect to the ESP's Marks so long as this Trademark Addendum is in effect.

B2. Warranty Of No Conflicting Use. Customer represents and warrants that during the term of this Trademark Addendum the use of the Service Mark is made pursuant to an express authorization by any third party that may claim ownership or any other rights over any word or design used in combination with the Service Mark. Customer hereby warrants that it has obtained written permission from the owner of any trademark to be used in combination with the Service Mark.

B3. Notification Of Alleged Infringements. Customer shall promptly notify ESP if Customer is notified by any third party of any violation of such a third party's trademark rights, or any other rights, arising out of the use of the Service Mark.

B4. Assignment. This Trademark Addendum shall benefit and be binding upon each of the parties hereto and their respective successors and assigns, but it may not be assigned in whole or in part by Customer without the prior written consent of the ESP. The ESP shall not need Customer's prior consent to assign this Trademark Addendum.

The remaining provisions apply to both Alternatives A and B:

5. Customer will never challenge ESP's ownership or the validity of the Service Mark and/or Licensed Mark, or any rights of ESP therein. Customer will never attempt to register the Service Mark and/or Licensed Mark, or its word or design components, with any governmental entity anywhere in the world without the express written permission of ESP.

6. In the event that Customer breaches any of the provisions of this Trademark Addendum, or if it uses the Service Mark and/or Licensed Mark in any form substantially different from that acceptable to ESP without the prior written consent of ESP, and does not cure such breach within fourteen (14) days after notice from ESP, ESP may terminate this Agreement by giving Customer fourteen (14) days written notice.

7. Upon request, Customer shall provide ESP with any information or documentation reasonably necessary to enable ESP to register or maintain its ownership of the Service Mark and/or Licensed Mark with any government entity.

8. Territory. The territory of this Trademark Addendum is hereby limited to the geographic area(s) served by the NPA's and/or NPANXX's identified on the SOF including any subsequent extension or reduction of such service area to which both the ESP and Customer agree.

9. Term. The term of this Trademark Addendum and any license hereby granted shall be effective on the date on which the SOF is executed ("Effective Date") and shall continue until the termination of the service provided pursuant to the SOF, unless sooner terminated in accordance with the provisions hereof or by mutual written agreement of both parties. Upon termination of this Trademark Addendum, or default by Customer: (a) all rights granted to Customer herein shall revert immediately to the ESP; (b) Customer shall execute any documents necessary to record or memorialize such reversions; and (c) Customer shall, on the effective date of termination specified herein, immediately discontinue all use of the Service Mark and/or Licensed Mark alone or together with any other mark, design, logo, word or words.

10. Consideration. Consideration for the rights granted herein is included in the charges for the services referenced on the SOF.

11. Infringements. Customer shall promptly notify the ESP of any and all infringements of the Service Mark and/or Licensed Mark, which come to the attention of Customer. The ESP, at its sole discretion, shall investigate and prosecute any claims or suits for violations by third parties of the rights in the Service Mark and/or Licensed Mark. The ESP shall take primary responsibility for any actions it decides to commence under this provision. Customer agrees to cooperate fully with the ESP in the furtherance of any such claim including, but not limited to, providing documentary or testimonial evidence, or joining as a formal party in the action or proceeding with the ESP.

12. Liability of the ESP. The ESP represents and warrants to the Customer only that the ESP believes it owns and has the right to use the Service Mark and/or Licensed Mark in commerce, and that it owns as of the date indicated on the SOF any U.S. service mark registration identified on the SOF. The ESP makes no other warranties or guarantees, either expressed or implied, arising by law or otherwise, with regard to the Service Mark and/or Licensed Mark. In particular, the ESP cannot guarantee that the Service Mark and/or Licensed Mark, or a mark confusingly similar thereto, is not in use by any other person or entity in some area of the licensed territory. Should some person or entity be using the Service Mark and/or Licensed Mark, who can prove in a court of competent jurisdiction the right to exclude the ESP or Customer from use of the Service Mark and/or Licensed Mark, Licensor's liability shall be limited strictly to the amount paid by Customer under the SOF and this Trademark Addendum. The ESP, at its sole discretion, shall have the option to terminate this Trademark Addendum, and any underlying license, upon fourteen (14) days notice, should it appear to the ESP, in its sole discretion, that a third party has a valid prior claim to the use of the Service Mark and/or Licensed Mark, or any confusingly similar mark, in the licensed territory. Customer's remedies in case of such termination shall be limited to those set forth in this provision.

13. Exclusion of Warranties. EXCEPT AS SET FORTH HEREINABOVE, THE ESP MAKES NO WARRANTIES OR GUARANTEES, EITHER EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH REGARD TO THE SERVICE MARK AND/OR LICENSED MARK. THE ESP SPECIFICALLY DISCLAIMS, AND WILL HAVE NO OBLIGATION OR LIABILITY FOR ANY CLAIM OF INFRINGEMENT, UNFAIR COMPETITION, TORT, PRODUCT LIABILITY, OR ANY OTHER CLAIM ARISING OUT OF CUSTOMER'S USE OF ANY TOLL FREE NUMBER CORRESPONDING TO THE SERVICE MARK AND/OR LICENSED MARK, OR INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE ABOVE-ENUMERATED CLAIMS, OR OUT OF ANY OTHER CLAIMS, OBLIGATIONS, LIABILITIES, RIGHTS OR REMEDIES.

14. Indemnification. Customer agrees to indemnify, defend, and hold harmless the ESP, its officers, agents and employees, from and against all claims and liabilities, including costs and expenses (including attorneys' fees) incident thereto or incident to successfully establishing the right to indemnification, for injury to or death of any person or persons, including employees of Customer, and for loss of or damage to any property, arising out of or in any way connected with Customer's activities under this Agreement, the Service Mark and/or Licensed Mark, or under any toll free number which corresponds to the Service Mark and/or Licensed Mark.

15. Miscellaneous

15.1 Relationship of parties. Nothing in this Trademark Addendum shall be construed to place the parties in the relationship of partners, joint ventures, franchisor and franchisee, or principal and agent, and Customer shall have no power to obligate or bind the ESP in any manner whatsoever.

15.2 Notices. All notices for which provision is made herein shall be deemed received as of five days after mailing, if mailed to the other party by registered mail, return receipt requested, addressed to the other party at the address specified on the SOF, or any other address which that party has provided to the other by written notice.

15.3 Use of Service Mark and/or Licensed Mark. Customer agrees that all uses of the Licensed Mark, the Service Mark and/or their variants inure to the benefit of the ESP, and that such rights remain with the ESP after termination or expiration of the term of this Agreement.

15.4 Control of Use of the Service Mark and/or Licensed Mark. Customer shall submit to ESP for its approval a representative sample of all advertising or promotional materials including the Service Mark and/or Licensed Mark which it has used, or any new and/or substantially revised or changed materials including the Service Mark and/or Licensed Mark which it wishes to use, at the following times: (a) within two weeks after Customer commences public use of the Service Mark and/or Licensed Mark or within two weeks following the effective date of this Agreement, whichever is later; (b) six months after the Effective Date; and (c) on each yearly anniversary of the Effective Date. If the ESP fails to object to use of such material within ten (10) days of receipt thereof, ESP shall be deemed to have approved the use of such material.

15.5 The Services performed, or obtained for use, by Customer, its employees, agents and assigns under the Service Mark and/or Licensed Mark shall be at all times of high quality, such as the quality of services presently provided by ESP. Customer is familiar with the high quality standards employed by ESP in the performance of its services. Customer approves and adopts the standard of quality presently maintained by ESP for its services as of the Effective Date as the overall standard of quality for all Services to be rendered under the Licensed Mark.

15.6 ESP shall be permitted to observe and to check the performance of the Services offered and performed by Customer during normal business hours. ESP has the right to take all reasonable actions to ensure that a high standard of quality is maintained for the Services performed under the Service Mark and/or Licensed Mark, and to demand that Customer take all steps necessary to maintain such standards for the Services.

15.7 Definitions

15.7.1 The term "Licensed Mark" shall include the Service Mark indicated above and any and all variants of the Service Mark, including the substitution and use of any toll free exchange, such as 888, 877, 866, 855, or the like, and/or the use of ".com" or another top level domain name appended to the Service Mark or any variant thereof to indicate a URL corresponding to an address on the Internet.

15.7.2 The term "Services" shall, as used anywhere in this Trademark Addendum, include the advertising, promotion, marketing and sale of products and services and advertising as the trade name and/or business name of Licensee.

שבת ושלח

Reporting Access Summary SOF Addendum

30 EAST WOOD DRIVE SUITE 401 BOZEMAN MT 59717
SOUTH DURLINGTON VT 05407
550 N BURNING TREE BLVD
1-800-NETV-SALE

Customer Name: _____ Account # _____		WEB ACCESS				
Contact Information		Privilege Group		Administrator	Read/Write Access To	
		Basic	Extended		Number(s)	Right(s)
First Name: _____ Last Name: _____ Title: _____ Company Name: _____ Address: _____ City: _____ State: _____ Zip: _____ Work #: _____ Extension: _____ Cell #: _____ Fax #: _____ Email: _____ Username: <input type="checkbox"/> Use Email <input type="checkbox"/> Use Preferred		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No		
First Name: _____ Last Name: _____ Title: _____ Company Name: _____ Address: _____ City: _____ State: _____ Zip: _____ Work #: _____ Extension: _____ Cell #: _____ Fax #: _____ Email: _____ Username: <input type="checkbox"/> Use Email <input type="checkbox"/> Use Preferred		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No		
First Name: _____ Last Name: _____ Title: _____ Company Name: _____ Address: _____ City: _____ State: _____ Zip: _____ Work #: _____ Extension: _____ Cell #: _____ Fax #: _____ Email: _____ Username: <input type="checkbox"/> Use Email <input type="checkbox"/> Use Preferred		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Executive Management Contact as identified in Section 3 of the SOF Executive Management Contact as identified in Section 3 of the SOF		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Advertising Agent as Identified in Section 4 of the SOF Advertising Agent as Identified in Section 4 of the SOF		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Referral Agent as Identified in Section 5 of the SOF Referral Agent as Identified in Section 5 of the SOF		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Privilege Groups: Basic: Access to call information, excluding: Addresses & Demographics, CallFinder, Campaigns, Employee Codes, Missed Call Monitor, Notes, Recordings & Tags. Extended: Access to call information, excluding: Addresses & Demographics, CallFinder, Campaigns, Employee Codes, Missed Call Monitor, Notes, Recordings & Tags. Intermediate: Access to call information, including: Campaigns, Missed Call Monitor, Notes, Recordings & Tags. Read Access to Addresses & Demographics, CallFinder Searches & Scorecards. Power: Access to call information, including: Campaigns, Missed Call Monitor, Notes, Recordings & Tags. Read access to CallFinder Searches & Scorecards. Search Access to Addresses & Demographics. Power Plus: Access to call information, including: Campaigns, Missed Call Monitor, Notes, Recordings & Tags. Read/create access to CallFinder Searches & Scorecards. Read Access to CallFinder Searches. Search access to Addresses & Demographics. Accessed Self-Service: Search access to Addresses & Demographics. Account Management Software: Make all account changes including, but not limited to, user changes. Administrator: Authorized to make all account changes including, but not limited to, user changes.						

☒ 800 Response

800R Reporting Access Summary SOF Addendum V1 19 01/22/19

(Modified graphics)

800 Response

Call Recording SOF Addendum

38 EASTWOOD DRIVE, SUITE 401, PO BOX 2225
38 EASTWOOD DRIVE, SUITE 401, PO BOX 2225
SOUTH BURLINGTON, VT 05403
SOUTH BURLINGTON, VT 05403
1-800-NEW SALE

This Addendum, dated _____, contains additional terms and conditions governing the agreement between _____, contains additional terms and conditions governing the agreement between _____ (Customer), 800 Response and the Enhanced Service Provider ("ESP") (Customer), 800 Response and the Enhanced Service Provider ("ESP") embodied in the latest Service Order Form ("SOF") executed among the parties.

1. 800 Response shall make call recording services available to Customer pursuant hereto. Prior to recording any incoming call, 800 Response shall notify the calling party by means of a prerecorded message that the call may be recorded for use by Customer or its agents for quality assurance purposes.
2. Prior to using the call recording services, Customer shall: (a) notify each employee, individual or Call Center/Answering Service who may be answering recorded calls that their conversations may be recorded, and (b) obtain such employee's, individual's and/or Call Center/Answering Service's written consent thereto. Responsibility for obtaining written consents from current and future employees, individuals and Call Center/Answering Services rests with Customer, and not with 800 Response or the ESP.
3. In addition to applying to the latest SOF executed by the parties as of the date of this Addendum, this Addendum shall apply to any new SOF(s) that the parties enter into subsequent to such date provided: (i) the new SOF specifies that it is subject to a Call Recording Addendum, and (ii) the parties do not enter into a new Call Recording Addendum at such later time.
4. Customer shall: (a) use the recordings solely for quality assurance purposes, (b) comply with all laws and regulations applicable to the recording of calls or the content or use of call recordings, (c) not use the recordings for any unlawful purpose, and (d) require its agents who have access to the recorded calls to comply with this section.
5. Customer shall indemnify, defend and hold harmless 800 Response and the ESP, their officers, directors, partners, agents, employees, successors and assigns from and against any loss, claim, damage or expense (including reasonable attorneys fees and costs) arising out of or resulting from any claims by Customer's customers, prospective customers, employees, or any third party, in connection with Customer's and its agents' performance of or failure to perform Customer's obligations pursuant to this Call Recording Addendum.
6. This Call Recording Addendum and any associated SOF (including the Terms and Conditions and Trademark Addendum, and any other Addenda to such SOF) shall be considered a single agreement. In the event of any inconsistency, the terms of this Call Recording Addendum shall take precedence with respect to call recording issues. The minimum period for the call recording option is six months.

Customer:

800 Response, and ESP:

By: _____

By: _____

(Signature)

(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

*(SAMPLE) EMPLOYEE ACKNOWLEDGEMENT (CUSTOMER NAME)

The undersigned ("Employee") hereby acknowledges that it is the policy of _____ ("Employer") that Employer's telephones are to be used for business purposes only and that Employer and/or its (Employees) and/or employees are to be used for business purposes only and that Employer and/or its telecommunication service provider and agents acting on Employer's behalf, record and/or monitor calls received over its telecommunication system for quality assurance purposes, including evaluation of employee performance. Employee hereby consents to such monitoring and recording of calls and releases Employer from any liability with respect thereto.

Employee Signature: _____
Employee Signature: _____

Name: _____
Name: _____

Date: _____
Date: _____

Witness: _____
Witness: _____

*This form is provided by 800 Response for informational purposes only and is not intended as a substitute for legal advice from local counsel. It is recommended that Customers review the form and its content with their own attorneys for compliance with the requirements of federal and state law.

(Modified graphics)

800response

Additional Number Arrangements
SOF Addendum
MLSA
APPENDUM
Page ____ of ____

38 EASTWOOD DRIVE, SUITE 401
38 EASTWOOD DRIVE, SUITE 401, PO BOX 2225
SOUTH BURLINGTON, VT 05407
SOUTH BURLINGTON, VT 05407
1-800-NEW SALE

This Addendum, dated _____, 2025, contains additional terms and conditions governing the agreement between _____ ("Customer"), 800 Response, and the Authorized Service Provider ("ESP") embodied in the Service Order Form ("SOF") dated _____.

ARRANGEMENT # 1	ARRANGEMENT # 2	ARRANGEMENT # 3
<input checked="" type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Delete Number: 800-158-8122 Type: Shared Use Repeater Num Ring-to #: 2 Area Codes: 158-8122 Call Recording: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Delete Number: 800-889-1578 Type: Shared Use Repeater Num Ring-to #: 2 Area Codes: 889-1578 Call Recording: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Delete Number: 800-889-5048 Type: Shared Use Repeater Num Ring-to #: 2 Area Codes: 889-5048 Call Recording: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Delete Number: 800-889-5048 Type: Shared Use Repeater Num Ring-to #: 2 Area Codes: 889-5048 Call Recording: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Delete Number: 800-889-5048 Type: Shared Use Repeater Num Ring-to #: 2 Area Codes: 889-5048 Call Recording: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Delete Number: 800-889-5048 Type: Shared Use Repeater Num Ring-to #: 2 Area Codes: 889-5048 Call Recording: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Delete Number: 800-889-5048 Type: Shared Use Repeater Num Ring-to #: 2 Area Codes: 889-5048 Call Recording: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Delete Number: 800-889-5048 Type: Shared Use Repeater Num Ring-to #: 2 Area Codes: 889-5048 Call Recording: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> New <input type="checkbox"/> Change <input type="checkbox"/> Delete Number: 800-889-5048 Type: Shared Use Repeater Num Ring-to #: 2 Area Codes: 889-5048 Call Recording: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Notes:

This page is a continuation of the Service Order Form ("SOF") to which it is appended, and all services referenced herein are provided subject to the Terms and Conditions of the SOF. Notwithstanding the aforesaid, the provisions of sections 3a and 4a of the Terms and Conditions, the Trademark Addendum, the references to Shared Use 800 Services in the Authorization block of the SOF, and all references to the ESP do not apply to Customer Numbers. Should service on any Customer Number be cancelled or terminated, Customer shall be responsible for making the necessary arrangements to transfer the Resp Org designation or toll free service to another provider. If Customer has not designated a new Resp Org for a cancelled or terminated Customer Number within 45 days of the effective date of the cancellation or termination, 800 RIS shall return the number to the SMS 800 Database, and Customer will risk loss of the number to another subscriber. Additionally, should service on any Local Tracking Number be cancelled or terminated, Customer shall be responsible for making the necessary arrangements to port such number to another provider. If Customer has not ported service on a cancelled or terminated Local Tracking Number prior to the effective date of the cancellation or termination, Customer will risk the loss of the number.

**MLSA
ADDENDUM**

38 EASTWOOD DRIVE, SUITE 401, PO BOX 2225
SOUTH BURLINGTON, VT 05407
1-800-NEW SALE

This Addendum, dated _____, contains additional terms and conditions governing the agreement between _____ ("Customer"), 800 Response, and the Enhanced Service Provider ("ESP") embodied in the Service Order Form ("SOF") dated _____.

1. Customer acknowledges that service is provided in accordance with the terms of the Multi-Location Service Agreement ("MLSA") concluded between 800 Response and _____ ("Lead Account").
2. Lead Account controls the routing on the Toll Free Number and may change the Service Territory in its sole discretion. If directed by Lead Account, 800 Response may change routing arrangements or terminate service at any time. The rates and fees listed in Section 6 of the SOF may also change from time to time, without prior notice, in accordance with the terms of the MLSA. Should the MLSA be terminated, the ESP and 800 Response reserve the right to terminate service under this Agreement without providing the notice otherwise required by paragraph 9 of the Terms and Conditions.
3. Lead Account is authorized to access any call reports available to Customer, including call recordings.
4. This Addendum and the SOF (including the Terms and Conditions and Trademark Addendum, and any other Addenda) shall be considered a single agreement. In the event of any inconsistency, the terms of this Addendum shall take precedence.

Customer:

By: _____

(Signature)

Name: _____

Title: _____

800 Response and the ESP:

By: _____

(Signature)

Name: _____

Title: _____

Contractors”). Client’s other independent contractors may also become Authorized Users with Provider’s prior written permission and may be subject to additional access and use restrictions. Provider may revoke the authorization of any Authorized User for any reason. An Authorized User may be authorized to use some Services but not others.

ii. **Use.** All Authorized Users shall only access and use the Services according to the terms of this Agreement, the Franchise Agreement, Additional Services Agreements, applicable terms of use and privacy policies, and any further restrictions Provider requires. All references to privacy policies and terms of use in this Agreement shall also refer to how those terms of use and privacy policies are updated and amended from time to time.

iii. **Client’s Responsibility.** Client has the sole responsibility to ensure that Authorized Users comply with this Agreement, the Franchise Agreement, Additional Services Agreements, Provider’s guidance or restrictions, and the applicable terms of use and privacy policies. Client shall be responsible and liable for the acts and omissions of each of its Authorized Users to the same extent as if such acts or omissions were by Client.

iv. **Authorization is Not Permanent.** Authorized Users only remain authorized to use and/or access the Services only for so long as (i) such Authorized User remains Client’s employee, owner, member, shareholder, director, officer, Permitted Contractor, or independent contractor who has Provider’s written permission, (ii) such Authorized User is authorized by Client to be an Authorized User, (iii) such Authorized User has accepted and is abiding by all current and applicable agreements, terms of use, and privacy policies; (iv) this Agreement (or the applicable Additional Services Agreement) remains in effect; and (v) if applicable, such Authorized User has an active account and valid Password for use of the Services.

v. **Unauthorized Parties.** By way of example only and without limiting the scope of who is an unauthorized party, the following shall not be considered Authorized Users: competitors of Provider and its franchisees, vendors of Provider and its franchisees that have not been approved by Provider to be a Permitted Contractor, and employees and subcontractors of Provider’s franchisees that have not satisfied all of the requirements to be an Authorized User.

c. **Documentation.** Provider or Third-Party Vendors may from time to time issue user manuals, technical manuals, and other materials, in printed, electronic, digital or other form that describe the Services or their use or specifications (“Documentation”). Client and Authorized Users shall comply with all Documentation and use the Documentation only for purpose of operating the Franchised Business.

d. **Data.**

i. **Client Privacy Policy.** Client shall create and adhere to the terms of a privacy policy which is in compliance with the applicable laws in Client’s and Client’s customer’s jurisdictions (the “Client’s Privacy Policy”). Client shall make

EXHIBIT 2-D
ACH/EFT Transfer Agreement and Credit Card Authorization



AUTHORIZATION TO HONOR CHECKS AND DEBITS BY AND PAYABLE TO THE
FOLLOWING PAYEE(S):

The undersigned depositor ("Franchisee" or "Payor") hereby authorizes WINDOW WORLD TECHNOLOGIES, LLC ("Payee") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the bank designated below ("Bank") to debit or credit such account(s) pursuant to Payee's instructions.

Name of ~~Person or~~ Legal Entity of Franchisee: _____
ID Number: _____
Bank: _____
Branch: _____
City: _____ State: _____ Zip Code: _____
Bank Transit/ABA Number: _____
Account Number:* _____
*To be communicated orally

This authority is to remain in full and force and effect until sixty (60) days after Payee has received written notification from Franchisee of its termination.

FRANCHISEE/PAYOR: _____

By: _____
Name: _____
Title: _____
Date: _____

INDEMNIFICATION AGREEMENT

To the above named Payee and the Bank designated:

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

1. To indemnify the Bank and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Bank in the regular course of business for the purpose of payment, including any costs or expenses reasonably in collection therewith.
2. To indemnify Payee and the Bank for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.
3. To defend at Payor's cost and expense any action which might be brought by any depositor or any other persons because of any actions taken by the Bank of Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Bank's or Payee's participation therein.

EXHIBIT I
NON-OPERATING OWNER AMENDMENT

This Non-Operating Owner Amendment ("Amendment") is made and entered into as of _____ by and between WINDOW WORLD, INC., a North Carolina corporation with its principal office and place of business in Wilkes County, North Carolina ("Franchisor") and _____, a _____, _____, and _____ (collectively, "Franchisee").

WHEREAS, Franchisor entered into a Franchise Agreement of even date herewith ("Franchise Agreement"), wherein Franchisor granted Franchisee a license to own and operate a Window World franchised business in _____ ("Franchised Business");

WHEREAS, _____ ("Non-Operating Owner"), as ~~owner~~Owner of _____, agreed to the terms of the Franchise Agreement;

WHEREAS, due to Non-Operating Owner's limited involvement with the Franchised Business, Franchisee and Franchisor now desire to modify certain terms of the Franchise Agreement as such terms apply to Non-Operating Owner.

NOW, THEREFORE, in consideration of the mutual covenants of the parties herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the Agreement is hereby amended as follows:

1. Personal Participation. Notwithstanding anything in the Franchise Agreement to the contrary, Non-Operating Owner shall have no right to (i) personally operate or manage the Franchised Business, (ii) personally acquire products on behalf of Franchisee, Franchisor, or the Window World brand, or (iii) install products or provide services of Franchisee, Franchisor, or the Window World brand. Non-Operating Owner shall have no right to serve as the Operating Owner.

2. Training. Section 4(a)(iii) of the Franchise Agreement shall not apply to Non-Operating Owner. The Franchise Agreement shall be amended to provide that Non-Operating Owner has no obligation to attend training by Franchisor and Franchisor has no obligation to provide Non-Operating Owner with any training.

3. Entire Agreement. This Amendment together with the Franchise Agreement contain the entire agreement among the parties hereto with respect to the matters contemplated hereby and supersedes all prior agreements and undertakings between the parties with respect to such matters. In the event that any terms within the Franchise Agreement and this Amendment shall conflict, this Amendment shall govern the terms of both agreements. This Amendment may not be amended, modified or terminated in whole or in part, except in writing, executed by each of the parties hereto, which writing shall identify by specific reference this Amendment. Any terms not defined herein shall have the meaning assigned to them in the Franchise Agreement.

EXHIBIT J
AGREEMENT AND CONDITIONAL CONSENT TO TRANSFER
(Current Form; Subject to Change)

This Agreement and Conditional Consent to Transfer (“Agreement”) dated as of _____ (“Effective Date”) is made among WINDOW WORLD, INC. (“Franchisor”), _____ (“Seller”), and _____ (“Buyer”), effective as of the date this Agreement is signed by Franchisor.

A. Seller is the franchisee pursuant to the Window World of _____ license/franchise agreement entered into between Franchisor and Seller, as franchisee, dated _____ (“Seller Franchise Agreement”), governing the operation of a business that sells, markets, and installs custom-made windows, siding, and doors for residential and light commercial use (“Franchised Business”);

B. Buyer has submitted all required documentation in order for Window World to qualify the Buyer in accordance with Window World’s qualification process;

C. Seller will provide Franchisor with the Asset Purchase Agreement (“Purchase Agreement”), pursuant to which Seller will sell and Buyer has will agree to purchase all of the rights, obligations and assets relating to the Franchised Business (“Interests”); ~~and~~

D. Buyer has agreed to assume the lease obligations with regard to each location where the Franchised Business is operated from (collectively, the “Transfer”); ~~and~~

E. Seller has requested that Franchisor consent to the Transfer; and

F. The parties desire to set forth the terms and conditions under which Franchisor will consent to the Transfer and release Seller from certain further obligations and liabilities.

For and in consideration of the foregoing recitals, which are incorporated herein, the mutual covenants expressed herein and other valuable consideration, receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Effective Date of the Transfer. The “Effective Date of the Transfer” will be the date the closing occurs under the Purchase Agreement and the assets of the Franchised Business are assigned from Seller to Buyer (“Closing”). For the avoidance of doubt, Seller’s franchise rights will not transfer to Buyer unless the Closing occurs. Closing must occur within sixty (60) days of the date this Agreement is signed by Franchisor.

2. Conditional Consent. Buyer will purchase the Interests from Seller in accordance with the terms and conditions of the Purchase Agreement. The Seller Franchise Agreement provides that the Transfer cannot take place without the consent of Franchisor. Subject to the terms below and Seller’s continuing obligations, Franchisor will consent to the Transfer, as provided in the Seller Franchise Agreement, and will release Seller from any obligations arising under the Seller Franchise Agreement (in each case except as described below) from and after the Effective Date of the Transfer; provided, however, such consent and

release are expressly contingent upon compliance with the following terms and conditions on or before Closing:

a. **Acceptance of the Purchase Agreement.** Seller and Buyer agree to provide Franchisor a copy of their Purchase Agreement and shall obtain Franchisor's written acceptance of it. Once accepted, the Purchase Agreement shall not be amended and the terms of the transaction thereunder shall not be materially changed except with the prior written consent of Franchisor.

b. **Seller's Obligations Through Closing.** Seller acknowledges and agrees that it must maintain a Headquarters in its territory, service customers, and continue to abide by the terms of the Seller Franchise Agreement until the Closing. Seller acknowledges and agrees that its failure to continue to operate until the Closing would violate the terms of the Seller Franchise Agreement and may result in termination of its Seller Franchise Agreement.

c. **Franchise Agreements.** The Seller Franchise Agreement will terminate as of Closing, and the operation of the Franchised Business will thereafter be governed by the franchise agreement between Franchisor and Buyer ("Buyer Franchise Agreement"). Notwithstanding the foregoing or anything in this Agreement to the contrary, if the Closing never occurs and Buyer does not purchase the ~~assets~~Interests of the Business from Seller, the Seller Franchise Agreement shall not terminate but shall continue in full force and effect. Seller understands and acknowledges that the Buyer must receive a copy of Franchisor's current franchise disclosure document a sufficient amount of time in advance to comply with applicable Federal and State waiting periods, and the Closing will not be able to occur until these timelines have been met or during a time Franchisor is unable for any reason to legally sell a franchise in the Seller's state.

d. **Payment of Amounts Due.** Seller will pay all amounts due and owing to Franchisor through the date of Closing in the amount of \$_____.

e. **Transfer Fee.** Seller shall pay to Franchisor, upon execution of this Agreement, a transfer fee in the amount of \$_____. The transfer fee shall be held in escrow by Franchisor until the Closing.

f. **Seller's Transfer Obligation Deposit.** If the Transfer is an asset sale or other transaction where Seller's business entity will no longer be operating the Franchised Business, Seller shall pay Franchisor, upon execution of this Agreement, the greater of Ten Thousand Dollars (\$10,000) or one percent (1%) of the purchase price ("Deposit"). The Deposit will be refunded to Seller within thirty (30) days of Franchisor accepting Seller's evidence and certification that each of Seller's obligations under Section 2 of this Agreement have been timely completed, which acceptance will not be unreasonably withheld. If Seller does not timely comply with all requirements, Franchisor shall be entitled to retain the Deposit.

g. **Vendor Liability.** If the Transfer is an asset sale or other transaction where Seller's business entity will no longer be operating the Franchised Business, Seller shall pay

business entity that bears any of Franchisor's trademarks so it no longer includes any of Franchisor's trademarks in the name; (iii) cancel any fictitious name or "doing business as" certificates filed by Seller utilizing Franchisor's trademarks; and (iv) forward evidence of the completion of the foregoing to Franchisor, attention LEGAL DEPARTMENT.

p. **Default by Buyer.** The Buyer and Seller acknowledge and agree that should they enter into a Purchase Agreement whereby the terms of that Agreement require the Buyer to finance payment of the purchase price over time, and/or that the Seller requires that the Buyer pledge the Buyer Franchise Agreement as collateral to the transaction, Franchisor shall have the right, but not the obligation, to reapprove the Seller as a franchisee in the event of default by the Buyer under the terms of the Purchase Agreement. As such, the reversion of the interest in the Buyer Franchise Agreement is strictly conditioned upon the Seller meeting Franchisor's then-current qualifications. The parties acknowledge and agree that in order to protect the Window World® brand, trademarks and goodwill, Franchisor must qualify the Seller upon default of the Buyer, before the license can revert to the Seller. Seller further acknowledges and agrees that qualification is at the sole discretion of Franchisor and the decision by Franchisor to not permit the reversion of the license to the Seller shall not and cannot be deemed to be an interference with the contractual relations between Seller and Buyer by Franchisor.

3. **Survival of Seller Obligations.** Notwithstanding anything in this Agreement to the contrary, the provisions of the Seller Franchise Agreement shall survive that, either expressly or by their nature survive termination of the Seller Franchise Agreement and execution of this Agreement (including without limitation the post-termination restrictive covenants, audit rights, dispute resolution and notice, indemnification, and confidentiality provisions of the Seller Franchise Agreement).

4. **Release of Franchisor.** Seller and Buyer, for themselves and on behalf of their respective predecessors, parents, affiliates, subsidiaries, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns ("Releasers") hereby fully and forever unconditionally release and discharge Franchisor, Franchisor's predecessors, parents, affiliates, and subsidiaries, and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities ("Released Parties"), from any and all claims, demands, obligations, actions, liabilities and damages of every kind or nature whatsoever, in law or in equity, whether known or unknown to them, which they may have against the Released Parties as of the date of this Agreement, ~~or which may thereafter be discovered, accrued, or sustained, in connection with, as a result of, or in any way arising from, any relations or transactions with the Released Parties,~~ however characterized or described, including but not limited to, any claims arising from the Seller Franchise Agreement, the Franchised Business, the Buyer Franchise Agreement, or the Purchase Agreement, or the transactions described herein.

If the Franchised Business is located in California or if either Buyer or Seller is a resident of California, the following shall apply:

Section 1542 Acknowledgment. It is the intention of Seller and Buyer in executing this Agreement that this instrument be and is a general release which shall be effective as a bar to each and every claim, demand or cause of action released by Seller and/or Buyer. Each of Seller and Buyer recognizes that he, she or it may have some claim, demand or cause of action against the Release Parties of which he, she, or it is totally unaware and unsuspecting, which he, she or it is giving up by executing this Agreement. It is the intention of each of Seller and Buyer in executing this instrument that it will deprive him, her or it of such claim, demand or cause of action and prevent him, her or it from asserting it against the Released Parties. In furtherance of this intention, Seller and Buyer expressly waive any rights or benefits conferred by the provisions of Section 1542 of the California Civil Code, which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

Each of Seller and Buyer acknowledges and represents that he, she, or it has consulted with legal counsel before executing this Agreement and that he, she, or it understands its meaning, including the effect of Section 1542 of the California Civil Code, and expressly consents that this Agreement shall be given full force and effect according to each and all of its express terms and provisions, including, without limitation, those relating to the release of unknown and unsuspected claims, demands and causes of action.

5. Right of First Refusal. Subject to the ultimately closing of the transaction between Buyer and Seller, Franchisor hereby waives any right of first refusal to purchase the Interests as it may have pursuant to the Seller Franchise Agreement.

6. Acknowledgment. Buyer and Seller acknowledge that although Franchisor or its affiliates, employees, officers, directors, successors, assigns, and other representatives may have been involved in Buyer’s purchase of the Interests from Seller, and Buyer ~~and Seller~~ have assumed sole and full responsibility for making the final decision to purchase and sell the Interests and each has consulted, or has had the opportunity to consult but, of its own accord, elected not to consult, with its own legal and financial advisors. Buyer further understands that as part of analyzing the purchase of the Interests from Seller, it is Buyer’s responsibility to meet with or otherwise gather necessary information from the appropriate parties which may or may not affect ~~Buyer’s~~ the purchase of the Interests from Seller.

7. Additional Documents. Buyer and Seller agree to execute such additional documents as may be necessary to complete the Transfer as contemplated by the Purchase Agreement, Seller Franchise Agreement, and Buyer Franchise Agreement.

8. Restrictive Covenants. In consideration of Franchisor’s willingness to provide Confidential Information to Buyer prior to the signing of the Buyer Franchise Agreement and to consent to this Transfer, Buyer hereby agrees to the following restrictive covenants. Upon execution of Buyer Franchise Agreement, these obligations shall automatically merge into restrictive covenants under Buyer Franchise Agreement. For avoidance of doubt, if the Closing does not occur, Buyer will continue to be bound by these restrictive covenants according to the terms herein.

franchised businesses not generally known to the public; all records pertaining to customers and vendors of, and/or related in any way to, the franchised businesses (such as all names, addresses, phone numbers, email addresses for customers and vendors; customer purchase records; customer measurements; customer preferences; and mail lists); franchisee lists; vendor information; pricing data; sources of supply; technical information about Products and Services; electronic code, formulas, compositions, inventions, research, designs, advertising materials, and business, sales, and advertising strategies; financial information of Seller, Franchisor, or any affiliate or franchisee of Franchisor; business forms and customer contract forms and documents; databases; training materials; knowledge of the franchise system; contracts and agreements; transaction information; negotiations and pending negotiations for the sale of Products and Services; other confidential or proprietary information of any franchisee, Franchisor's affiliates, customers, vendors, or investors; and any other data and information that Franchisor or its affiliates, designates as confidential, including all information contained in the Manuals.

e. **Acknowledgment.** Buyer acknowledges and agrees that these covenants not to compete or solicit are necessary to protect the Marks, Confidential Information, and System for the period of time set forth herein. Buyer further acknowledges and agrees that the time and territory restrictions contained herein are reasonable and fair for the purpose of protecting Franchisor's legitimate business interests. In the event of default, Franchisor may seek preliminary injunctive relief to enjoin the conduct of Buyer. Buyer agrees that the foregoing do not impose a greater restraint than is necessary to protect Franchisor's goodwill or Franchisor's other business interest and its franchisees and the provisions do not prevent Buyer from earning a living. Buyer agrees that the scope of activities prohibited in this Section 8 are fair and reasonable and are not the result of overreaching, duress, or coercion of any kind. Buyer's full, uninhibited, and faithful observance of each of the covenants in this Section 8 will not cause any undue hardship, financial or otherwise. The parties acknowledge and agree that the covenants in this Section 8 are to be construed as independent of any other covenant or provision of this Agreement. The existence of any claim Buyer may have against Franchisor or any of its affiliates (regardless of whether arising under this Agreement) is not a defense to the enforcement of these covenants against Buyer.

f. **Survival and Tolling.** Buyer understands and agrees that all of Buyer's covenants and agreements in this Agreement survive the termination or expiration of this Agreement. In addition, Buyer further acknowledges and agrees that the Restricted Period will be tolled and will not run during any time Buyer is in violation of ~~Buyer's~~sits obligations under this Section 8, and will be extended by the period of time during which Buyer is in violation of ~~Buyer's~~sits obligations under this Section 8.

g. **Activities Not In Violation of this Section.** Notwithstanding anything in this Section 8 to the contrary, Buyer's purchase of a publicly traded security of a corporation engaged in providing Competing Services shall not in itself be deemed violative of this Section 8 so long as Buyer does not own more than one percent (1%) of the securities of such corporation. Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to the following: (a) information that was in the public domain prior to or after being communicated to Buyer through no fault of Buyer; (b)

information that was in Buyer's possession free of any obligation of confidence at the time it was communicated to Buyer; or (c) the disclosure of the Confidential Information in judicial or administrative proceedings to the extent that Buyer is legally compelled to disclose the information, if Buyer has notified Franchisor before disclosure and used Buyer's best efforts, and afforded Franchisor the opportunity, to obtain an appropriate protective order or other assurance satisfactory to Franchisor of confidential treatment for the information required to be so disclosed.

9. Miscellaneous Provisions. This Agreement will be construed and enforced in accordance with, and governed by, the laws of the state of North Carolina. This Agreement may not be modified or amended or any term hereof waived or discharged except in writing signed by the party against whom such amendment, modification, waiver or discharge is sought to be enforced. The headings of this Agreement are for convenience and reference only and will not limit or otherwise affect the meaning hereof. This Agreement may be executed in any number of counterparts and sent via facsimile, each of which will be deemed an original but all of which taken together will constitute one and the same instrument. All capitalized terms used, but not defined, herein shall have the meanings ascribed to them in the applicable franchise agreement.

10. Non-Disparagement. In consideration of the accommodations provided to Seller and Buyer and concessions made by Franchisor under this Agreement, Seller and Buyer agree not to, and to use their best efforts to cause the Releasors not to, disparage or otherwise speak or write negatively, directly or indirectly, of the Released Parties or their respective current and former franchisees, the WINDOW WORLD brand, the WINDOW WORLD system, or any other service-marked or trademarked concept of Franchisor, or engage in any behavior which would subject the WINDOW WORLD brand to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact the goodwill of Franchisor or its brand.

In witness whereof, the parties have signed this Agreement and it is made effective as of the date Franchisor signs this Agreement.

Seller:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Print name: _____

Print name: _____

Buyer:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Print name: _____

Print name: _____

Franchisor:

WINDOW WORLD, INC.

By: _____

Name: _____

Title: _____

EXHIBIT L
ADDENDUM TO RENEWAL FRANCHISE AGREEMENT
(to be signed by a renewing franchisee concurrently with the Franchise Agreement)

This Addendum ("Addendum") to the Franchise Agreement dated as of _____ between WINDOW WORLD, INC. ("Franchisor") and _____ ("Franchisee") ("Agreement") is made as of the same date to amend and supplement certain terms and conditions of the Agreement. In the event of any conflict between the terms of the Agreement and the terms of this Addendum, the terms of this Addendum shall control. All capitalized terms not otherwise defined in this Addendum shall have their respective meanings set forth in the Agreement.

1. **Headquarters.** Franchisor hereby accepts the following as the address of the Headquarters: _____. Franchisor hereby accepts the following as the address for any Satellites: _____. Notwithstanding this acceptance of the location for the Headquarters and Satellites, Franchisee acknowledges and agrees that at the expiration of Franchisee's current lease term for each Premises, if applicable, Franchisee shall obtain Franchisor's acceptance of any new locations for operations of the Franchised Business.

2. **No Fee.** No initial franchisee fee or renewal fee shall be due upon execution of the Agreement.

3. **Lease Acceptance.** Should Franchisee enter into a new lease for the Headquarters or any Satellite during the term of the Agreement, the lease shall also include Franchisor's form Lease Addendum, and all lease review and acceptance requirements of the Agreement shall remain applicable.

4. **Commencement of Operations.** Franchisor and Franchisee acknowledge that the Franchised Business has commenced operations.

5. **Training.** Franchisee shall cause its Operating Owner(s) or Operations Manager to complete any training Franchisor requires within ninety (90) days of the execution of the Agreement. Franchisor shall not be obligated to provide any initial training program as described in the Agreement.

6. **Term Length.** The Initial Term of the Agreement shall be _____ years.

7. **6.—Release.** Franchisee ~~themselves and~~ for itself on behalf of ~~their respective~~ predecessors, parents, affiliates, subsidiaries, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns ("Releasers") hereby fully and forever unconditionally release and discharge Franchisor, Franchisor's predecessors, parents, affiliates, and subsidiaries, and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities ("Released Parties"), from any and all claims, demands, obligations, actions, liabilities and damages of every kind or nature whatsoever, in law or in equity, whether known or unknown to them, which they may have against the Released Parties ~~as of from the beginning of time through~~ the date of this Agreement, ~~or which may thereafter be discovered, accrued, or sustained, in connection with, as a result of, or in any way arising from, any relations or transactions with the Released Parties,~~ however characterized or described, from the beginning of time until the date of this Addendum, including but not limited to, any claims arising from the prior franchise agreement(s) between Franchisor and Franchisee and the Franchised Business.

8. ~~7.~~ **Non-Disparagement.** Franchisee agrees not to, and to use its best efforts to cause the Released Parties not to, disparage or otherwise speak or write negatively, directly or indirectly, of the Released Parties or their respective current and former franchisees, the WINDOW WORLD brand, the WINDOW WORLD system, or any other service-marked or trademarked concept of Franchisor, or engage in any behavior which would subject the WINDOW WORLD brand to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact the goodwill of Franchisor or its brand.

In witness whereof, the parties hereto have caused this Addendum to be executed on the date first set forth above.

Franchisor:

WINDOW WORLD, INC.

By: _____
Name: _____
Title: _____

Franchisee:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Print name: _____

Print name: _____

EXHIBIT M
ROOFING AMENDMENT

This Roofing Amendment to the Franchise Agreement (“Amendment”) is hereby made, entered into, and effective as of _____ (“Effective Date”), between WINDOW WORLD, INC., a North Carolina corporation (“Franchisor”), and _____, a _____ (“Franchisee”).

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement dated _____ (“Franchise Agreement”), whereby Franchisor granted Franchisee a limited license to use the trademarks and other proprietary information (collectively, the “Marks”) for the operation within the Territory (as defined in the Franchise Agreement) of a business marketing, selling, and installing exterior remodeling products (“Franchised Business”).

WHEREAS, Franchisor is also engaged in the business of marketing, selling, and installing roofing products (such services collectively referred to herein as “Roofing Services”);

WHEREAS, Franchisee is desirous of and is prepared to provide the Roofing Services as part of its Franchised Business, pursuant to the terms of this Amendment;

WHEREAS, Franchisor is desirous of offering Franchisee an opportunity to provide the Roofing Services as part of Franchisee’s Franchised Business under the terms described herein and for Franchisee to use the Marks to provide the Roofing Services;

WHEREAS, Franchisor and Franchisee have agreed to certain modifications of the Franchise Agreement to enable Franchisee to perform the Roofing Services under the terms of this Amendment, and therefore desire to amend the Franchise Agreement accordingly.

NOW, THEREFORE, in consideration of the mutual covenants of the ~~Parties~~parties herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the ~~Parties~~parties hereto, the Franchise Agreement is hereby amended as follows:

1. **Limited License; System Standards.** Franchisor hereby grants Franchisee a limited, non-exclusive, revocable license to provide the Roofing Services in strict compliance with the terms of this Amendment, the Franchise Agreement, and Franchisor’s operating procedures and standards prescribed from time to time by Franchisor for the remainder of the term of the Franchise Agreement. Franchisee has no right to market, sell, or install roofing materials, products, or services, except under the limited license granted herein and under the terms stated herein. Unless earlier terminated, this Amendment shall terminate upon expiration, non-renewal, or termination of the Franchise Agreement.

2. **Continuing Performance Requirements.** Franchisee acknowledges that Franchisor has entered into this Amendment with Franchisee in reliance on the past performance of Franchisee in its sale of windows, siding, and doors (collectively “Core Products”). Franchisor may modify the definition of Core Products by adding or removing products by policy published in the Manuals. Franchisee represents and warrants that its representations to Franchisor related to such past performance are true and accurate in all material respects. Unless Franchisor promulgates lower standards through the Manuals or otherwise permits a deviation through a writing issued by Franchisor and executed by an

7. **Insurance.** Franchisee shall procure and maintain in full force and effect at its sole expense and during the remainder of the Initial Term and any renewal terms of the Franchise Agreement, insurance policy(ies) protecting Franchisee and Franchisor, and the directors, officers and employees of Franchisor against any loss, liability, or expense from fire, personal injury, property damage or other casualty which arises out of or is incident to the use of the business premises or the business operation of the Franchised Business. Franchisee shall obtain and maintain any insurance that Franchisor may designate that applies to the Roofing Services. Franchisee shall also cause any independent contractor it hires to participate in the Roofing Services to obtain and maintain coverage that is at least as great as that Franchisee is required to obtain and maintain. Likewise, Franchisee shall also cause its independent contractors to comply with the other terms applicable to insurance coverage in the Franchise Agreement, including but not limited to terms requiring the contractor to name Franchisor as an additional insured.

8. **Laws and Regulations and Brand Standards.** Franchisee must comply with all laws and regulations related to its performance of the Roofing Services, including those that set standards pertaining to employee health and safety such as Occupational Safety and Health Administration and other regulations. Franchisee must comply with all of Franchisor's standards for Roofing Services are set forth in the Manuals.

9. **Residential Properties.** Franchisee shall only provide the Roofing Services for residential properties, including sole owner apartment complexes. Franchisee may not provide the Roofing Services for any commercial properties, including condominiums, unless Franchisee receives prior, written approval from Franchisor to provide the Roofing Services for a commercial property, which approval may be withheld by Franchisor in its sole discretion.

10. **Required Contract and Literature.** In providing the Roofing Services, Franchisee must not use and distribute materials and contracts unless such materials and contracts have been approved by Franchisor. For all Roofing Services transactions, Franchisee must use a Roofing Services contract approved by Franchisor.

11. **Definition of "Products and Services".** Notwithstanding any other provision in the Franchise Agreement, and in consideration of Franchisor granting Franchisee the additional rights to provide the Roofing Services, the definition of "Products and Services" as it is defined with respect to Franchisee's restrictive covenants for non-competition, non-solicitation, and confidentiality shall is hereby deleted and amended in its entirety to be the following:

"Products and Services" means the advertising, marketing, selling, and/or installing of custom-made windows, siding, entry door systems, roofing products, and any products or services Franchisee, Franchisor, or any affiliates or franchisees of Franchisor offer under Franchisor's Marks (A) for covenants relating to the Initial Term, the Initial Term, and (B) for covenants relating to the Restrictive Period, during the twelve (12) month period preceding the first date of the Restrictive Period.

In all other respects, Franchisee affirms its obligations to comply with the terms of the restrictive covenants for non-competition, non-solicitation, and confidentiality as set forth in the Franchise Agreement and/or any other agreements between Franchisee and Franchisor and Franchisee's ~~owners~~Owners.

12. **Default.**

(a) The occurrence of any one or more of the following events shall constitute an event of default and grounds for termination of the Franchise Agreement upon notice without opportunity to cure:

(i) Franchisee purchases or uses roofing products from a vendor Franchisor has not approved;

(ii) Franchisee purchases or uses products other than Approved Roofing Products in its provision of the Roofing Services; or

(iii) Franchisee provides the Roofing Services to a commercial facility without receiving Franchisor's prior, written approval.

(b) The occurrence of any other violation of the provisions of this Amendment shall constitute an event of default and grounds for termination of Franchisee's right to provide Roofing Services following fifteen (15) days written notice and right to cure.

13. **Release of Franchisor.** In consideration of the right to market, sell, and install roofing products granted under this Amendment, except for ongoing obligations under the Franchise Agreement or this Amendment, Franchisee for itself and on behalf of its respective predecessors, parents, affiliates, subsidiaries, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns ("Releasors") hereby discharge and release Franchisor, Franchisor's predecessors, parents, affiliates, and subsidiaries, and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities (collectively, "Released Parties"), from any and all claims, liabilities, actions, or causes of action, of any kind or character whatsoever, whether at law or at equity, whether known or unknown, arising from the beginning of time through the date of this Amendment, which arise out of, or are in any way related to, (a) the Franchise Agreement; (b) this Amendment; (c) any Premises; (d) the Franchised Business; (e) any violations of the Federal Trade Commission Franchise Rule or any other state or federal laws governing franchising; (f) any action taken by the Released Parties under or in relation to the Franchise Agreement or this Amendment; (g) any action taken by the Releasors the under or in relation to the Franchise Agreement or this Amendment, and (h) the relationship between Franchisor and Franchisee arising out of the Franchise Agreement or this Amendment, it being the mutual intention of the parties that this release be general in scope and effect and that any claims against Released Parties are hereby forever canceled and forgiven. Franchisee expressly assumes the risk of any mistake of fact or fact of which Franchisee may be unaware or that the true facts may be other than any facts now known or believed to exist by Franchisee.

14. **Indemnity.** In addition to all of Franchisee's indemnification obligations under the Franchise Agreement, Franchisee shall fully indemnify, hold harmless and defend (collectively "indemnify") the Franchisor Indemnified Parties (as defined in the Franchise Agreement) from all Losses (as defined in the Franchise Agreement) which arise out of or in any way related to (1) any breach of any representation or warranty of Franchisee contained in this Amendment; (2) any breach or

violation of any covenant or other obligation or duty of Franchisee under this Amendment or under applicable law; (3) any claim or cause of action which arises, directly or indirectly, out of the operation of, or in connection with, the Roofing Services, the Approved Roofing Products, and this Amendment, in each case whether or not the claim has merit. Franchisee's obligation to indemnify the Franchisor Indemnified Parties shall survive the termination, expiration or nonrenewal of this Addendum and the Franchise Agreement.

15. **Miscellaneous.** Except as modified herein, all other terms in the Franchise Agreement remain in full force and effect. Franchisee may not assign this Amendment or any rights or obligations hereunder without the prior written consent of Franchisor. Franchisor may assign this Amendment or delegate its obligations hereunder without consent of the other party. This Amendment together with the Franchise Agreement contains the entire agreement between the parties hereto with respect to the matters contemplated hereby and supersedes all prior agreements and undertakings between the parties with respect to such matters. In the event that any terms within the Franchise Agreement or this Amendment shall conflict, this Amendment will govern. All defined terms not otherwise defined herein shall have the meaning assigned to them in the Franchise Agreement. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

In witness whereof, the parties have caused this Amendment to the Franchise Agreement to be executed or hereunto set their hands, all duly given as of the day and year first above written and to be effective as of the date executed by Franchisor.

Franchisor:

Franchisee:

WINDOW WORLD, INC.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Print name: _____

Print name: _____

EXHIBIT N
FORM OF FRANCHISE COMPLIANCE CERTIFICATION

[NOT FOR USE WITH FRANCHISEES, FRANCHISED BUSINESSES, OR TERRITORIES IN CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, AND WISCONSIN]

The purpose of this Certification is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue or inaccurate. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Have you received and personally reviewed our Franchise Disclosure Document (“FDD”), Franchise Agreement and each Addendum (if any), and related agreement (i.e., personal guaranty) attached to them?

Yes or No? _____

2. Did you receive the Franchise Agreement and each related agreement, Addendum, or Amendment (if any), containing all material terms, at least 7 days before signing any binding agreement with us or an affiliate?*

Yes or No? _____

* This does not include changes to any agreement mutually agreed upon.

3. Did you receive the FDD at least 14 days before signing the Franchise Agreement, this document or any related agreement, and before paying any funds to us or an affiliate?

Yes or No? _____

4. Did you sign a receipt for the FDD indicating the date you received it?

Yes or No? _____

5. Have you discussed the benefits and risks of purchasing a WINDOW WORLD franchise with an attorney, accountant or other professional advisor?

Yes or No? _____

If No, do you wish to have more time to do so?

Yes or No? _____

6. Do you understand that the success or failure of your WINDOW WORLD franchise will depend in large part upon your skills and abilities, competition from other businesses, and other economic and business factors?

Yes or No? _____

7. Has any employee or other person speaking on our behalf made any statement or promise concerning the actual or possible revenues or profits of a WINDOW WORLD franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

Yes or No? _____

8. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a WINDOW WORLD franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

Yes or No? _____

9. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a WINDOW WORLD franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

Yes or No? _____

10. If you have answered "Yes" to either question 8 or 9, please provide a full explanation of each "Yes" answer in the following blank lines.

·
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·
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11. Do you understand that the Franchise Agreement, Addendum (if any) and related agreements contain the entire agreement between you and us concerning the WINDOW WORLD franchise?

Yes or No? _____

Nothing in this document or any related agreement is intended to disclaim the representations we made in the FDD that we furnished to you.

12. Do you understand that, except as provided in the FDD, nothing stated or promised by us that is not specifically set forth in the Franchise Agreement, Addendum (if any) and related agreements can be relied upon?

Yes or No? _____

13. You acknowledge that the Franchise Agreement, Addendum (if any) and related agreements are not effective until signed and dated by us.

Yes or No? _____

YOU UNDERSTAND THAT YOUR RESPONSES TO THESE QUESTIONS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS COMPLIANCE CERTIFICATION, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

The individuals signing below for the "**Franchisee Applicant**" constitute all of the executive officers, partners, shareholders, investors and/or principals of the Franchisee Applicant, or constitute the duly authorized representatives or agents of the foregoing.

FRANCHISE APPLICANT:

Signature: _____
Name: _____
Date: _____

Signature: _____
Name: _____
Date: _____

Signature: _____
Name: _____
Date: _____

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	March 28, 2024 <u>pending</u>
Hawaii	Pending <u>pending</u>
Illinois	March 28, 2024, as amended January 13, 2025 <u>pending</u>
Indiana	March 28, 2024 <u>pending</u>
Maryland	April 25, 2024, as amended January 15, 2025 <u>pending</u>
Michigan	March 31, 2024 <u>pending</u>
Minnesota	April 14, 2024, as amended January 27, 2025 <u>pending</u>
New York	April 2, 2024 <u>pending</u>
North Dakota	April 25, 2024, as amended January 13, 2025 <u>pending</u>
Rhode Island	April 17, 2024, as amended January 14, 2025 <u>pending</u>
South Dakota	March 28, 2024 <u>pending</u>
Virginia	April 1, 2024, as amended January 18, 2025 <u>pending</u>
Washington	March 30, 2024 <u>pending</u>
Wisconsin	March 28, 2024, as amended January 13, 2025 <u>pending</u>

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT ~~NO~~
RECEIPT

This disclosure document summarized certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If WINDOW WORLD, INC. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires you to receive this Franchise Disclosure Document 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If WINDOW WORLD, INC. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency listed on Exhibit E.

The name, principal business address and telephone number of each franchise seller offering the franchise is:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ZACH LUFFMAN	_____	_____
118 Shaver St.	_____	_____
N. Wilkesboro, NC 28659	_____	_____
(336) 667-2100	_____	_____

Issuance Date: March 28, 2024, as amended January 13, 2025

See Exhibit E for our registered agent authorized to receive service of process. Our agent for service of process in North Carolina is ~~Corporation Service Company at 2626 Glenwood Avenue, Suite 550~~ Paracorp Incorporated at 176 Mine Lake Ct #100, Raleigh, NC 27608-27615.

I received a WINDOW WORLD, INC. disclosure document dated March 28, 2024, as amended January 13, 2025 that included the following Exhibits:

Exhibit A: Franchise Agreement with

- Attachment 1: Lease Rider
- Attachment 2: Communications Consent
- Attachment 3: Limited Personal Guaranty
- Attachment 4: Internet, Social Media, and Telephone Assignment
- Attachment 5: Nondisclosure and Non-Competition Agreement
- Attachment 6: Nondisclosure and Non-Solicitation Agreement

Exhibit H: Master Services Agreement with

- Exhibit 2A: CRM Subscription Agreement
- Exhibit 2B: Web Design and Management Agreement
- Exhibit 2C: Window World Owner's Portal Agreement
- Exhibit 2D: ACH/EFT Transfer Agreement and Credit Card Authorization
- Exhibit 2E: Premium Services

- Attachment 7: ACH/EFT Transfer
- = Agreement and Credit Card
- Authorization

Exhibit B-1: Listing of Current Franchisees
 Exhibit B-2: Listing of Certain Past Franchisees
 Exhibit C: Financial Statements
 Exhibit D: State-Specific Addendum
 Exhibit E: Federal and State Regulatory
 Authorities and Agents for Service of Process
 Exhibit F: Prospective Franchisee Confidentiality
 Agreement
 Exhibit G: 800 Response Agreement

Amendment

Exhibit I: Window World, Inc.
 Non-Operating Owner Amendment
 Exhibit J: Agreement and Conditional
 Consent to Transfer
 Exhibit K: Full and Final General Release
 Exhibit L: First Addendum to Renewal
 Franchise Agreement
 Exhibit M—: Addendum Regarding Roofing
 Services
Exhibit N: Form of Franchise Compliance
Certification
 Exhibit ~~N~~—O: Receipt

Date: _____

 Signature of Prospective Franchisee

 Print Name

Please sign and return this Receipt to WINDOW WORLD, INC. You may mail it to WINDOW WORLD, INC., **ATTN: LEGAL DEPARTMENT**, 118 Shaver Street, North Wilkesboro, North Carolina 28659 or email it to legal@WindowWorld.com.

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Signature of Prospective Franchisee

Print Name

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