

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 Minnesota. 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 Minnesota than in your own state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Unregistered trademark.** The primary trademark that you will use in your business is not federally registered. If the franchisor's right to use this trademark in your area is challenged, you may have to identify your business and its products or services with a name that differs from that used by other franchisees or the franchisor. This change can be expensive and may reduce brand recognition of the products or services you offer.
4. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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.

Item 4
BANKRUPTCY

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

Item 5
INITIAL FEES

Franchise Fee

When you sign your franchise agreement, you must pay us \$40,000 as the initial franchise fee. This fee is uniform and is not refundable.

All initial Franchise Fees are deferred until Franchisor has completed all pre-opening obligations and Franchisee is open for business.

Item 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	10% of your gross sales	Monthly, on the 15th of the following month	See Note 1 and Note 2.
Brand Fund Contribution	1% of your gross sales	Monthly, on the 15th of the following month	See Item 11 for a detailed discussion about these funds. Amounts due will be withdrawn by electronic wire transfer from your designated bank account.
Market Cooperative Contribution	As determined by co-op. Currently, none.	Monthly, on the 15th of the following month	We have the right to establish local or regional advertising cooperatives. The maximum contribution that a co-op may require is 5% of gross sales.
Local Marketing/Required Spending	6% of your gross sales	Monthly	You may only use promotional materials you have purchased from us or that we have provided to you.
Replacement / Additional Training fee	Currently, \$550 per day	Prior to attending training	If you send a manager or other employee to our training program after you open, we will charge our then-current training fee.

Total	\$130,000	-	\$316,600		
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Notes

1. The Franchise Fee is due and payable at the time of executing the Franchise Agreement. Your lease security deposit and utility deposits will usually be refundable unless you owe money to the landlord or utility provider. None of the other expenditures in this table will be refundable. Neither we nor any affiliate finances any part of your initial investment.

All initial Franchise Fees are deferred until Franchisor has completed all pre-opening obligations and Franchisee is open for business.

2. Our estimates in this table assume you pay one month rent plus a security deposit before you open for business. For this to occur, you would need to negotiate a “free rent” period for the time it takes to build out your business while the business is being opened. We expect that you will rent your location. If you choose to purchase real estate instead of renting, your costs will be significantly different. In most cases, you will operate the business from a storage/warehouse location where you are able to keep your equipment and store vehicles.

3. The Market Introduction Program is the advertising and expense associated with advertising and promoting the new business launch/opening. These costs are primarily advertising costs, but may include costs paid to a marketing agency to execute the advertising campaign.

4. The Furniture, Fixtures and Equipment includes the furniture and fixtures, design elements and the equipment needed to operate the business

5. The Computer Systems you will need to operate the franchised business include a laptop computer and the necessary operating software you will use to manage the sales process and operations of the business. This range of investment accounts for you purchasing a laptop and paying your first month of Tech Fee (\$250) to us for the operating software.

6. Insurance includes the cost of insurance necessary to operate the business. The Insurance coverage amounts of types of insurance are included in Item 8.

7. You must use a vehicle appropriate for your business with our branded logo/wrap. It must be in excellent or better condition, clean, dent-free, and otherwise presenting a professional appearance. The low-end estimate assumes you already have a personal vehicle for the business. The high assumes you lease a new vehicle, with certain fees and costs payable upon signing the lease.

8. The Signage includes both exterior and interior signage for promoting the brand and the business. The cost of signage will vary depending on how much signage you have available at your location or vehicle(s) and the cost of installation in your market.

Minnesota	0	1	0
Wisconsin	0	1	0
Totals	0	3	0

Current Franchisees

Exhibit H contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets.

Former Franchisees

Exhibit F contains the name, city and state, and 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 the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date.

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

Confidentiality Clauses

In the last three fiscal years, no franchisees have signed any contract, order, or settlement provision that directly or indirectly restricts a current or former franchisee from discussing his or her personal experience as a franchisee in our system with any prospective franchisee.

Franchisee Organizations

There are no trademark-specific franchisee organizations associated with our franchise system.

Item 21 FINANCIAL STATEMENTS

We have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission. Exhibit D contains our unaudited opening balance sheet dated 12/31/2024. Our fiscal year end is December 31.

3.2 Successor Agreement. When the term of this Agreement expires, Franchisee may enter into a successor agreement for up to 2 additional periods of 5 years each, subject to the following conditions prior to each expiration:

- (i) Franchisee notifies ByeBye Stumps Franchising of the election to renew between 90 and 180 days prior to the end of the term;
- (ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with ByeBye Stumps Franchising (or any of its affiliates) at the time of election and at the time of renewal;
- (iii) Franchisee has made or agrees to make (within a period of time acceptable to ByeBye Stumps Franchising) changes to the Business as ByeBye Stumps Franchising requires to conform to the then-current System Standards;
- (iv) Franchisee and its Owners execute ByeBye Stumps Franchising's then-current standard form of franchise agreement and related documents (including personal guaranty), which may be materially different than this form (including, without limitation, higher and/or different fees), except that (A) Franchisee will not pay another initial franchise fee, (B) Franchisee will not receive more renewal or successor terms than described in this Section, and (C) the Territory will not be changed;
- (v) Franchisee and each Owner executes a general release (on ByeBye Stumps Franchising's then-standard form) of any and all claims against ByeBye Stumps Franchising, its affiliates, and their respective owners, officers, directors, agents and employees.

ARTICLE 1. FEES

4.1 Initial Franchise Fee. Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page. This initial franchise fee is not refundable.

All initial Franchise Fees are deferred until Franchisor has completed all pre-opening obligations and Franchisee is open for business.

4.2 Royalty Fee. Franchisee shall pay ByeBye Stumps Franchising a monthly royalty fee (the "Royalty Fee") equal to 10% of Gross Sales. The Royalty Fee for any given month is due on the 15th of the following month.

4.3 Brand Fund Contribution.

(a) Brand Fund Contribution. Franchisee shall pay ByeBye Stumps Franchising a contribution to the Brand Fund (the "Brand Fund Contribution") equal to 1% of Franchisee's Gross Sales (or such lesser amount as ByeBye Stumps Franchising determines), at the same time as the Royalty Fee.

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

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

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

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