

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 Missouri. 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 Missouri than in your own state.

~~2. **Governing Law.** The Franchise Agreement and Development Agreement state that [State Law] law governs the agreements, and this law may not provide the same protections and benefits as local law. You may want to compare these laws. State franchise registration and relationship laws often provide that choice of law provisions are void or superseded to the extent that choice of a different state's law would deny a franchisee or developer the protections it would be entitled to under local law. You should investigate whether your purchase of the franchise falls under the jurisdiction of a state franchise registration or relationship law (see Item 17 and the governing law provisions of the Franchise Agreement and Development Agreement).~~

~~3. **Other Risks.** There may be other risks concerning this franchise~~

2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's material and personal assets, perhaps including your house, at risk if your franchise fails.

3. **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.

4. **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.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Item

ITEM 4. BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5. INITIAL FEES

You must pay an initial master franchise fee ranging from \$50,000 to \$150,000 based on the population and number and types of commercial establishments in your Development Area (“Initial Master Franchise Fee”). The Initial Master Franchise Fee is typically \$5,000 per 100,000 in population based on the most recent Metropolitan Statistical Areas (MSA) as estimated by the United States Census Bureau. However, it may be more or less depending on the quality and quantity of commercial establishments in your Development Area and other demographic considerations. The amount of the Initial Master Franchise Fee will be listed in Exhibit I of the Subfranchisor Master Agreement and must be paid in lump sum when you sign the Subfranchisor Master Agreement.

If you are required to register with a state agency in order to sell franchises within the Development Area, and if the state registration is not obtained within 90 days after the date you sign the Subfranchisor Master Agreement, we have the right, in our sole discretion, to terminate the term of the Subfranchisor Master Agreement, retain \$10,000 of the Initial Master Franchise Fee and return the balance to you. Otherwise, the Initial Master Franchise Fee is fully earned when paid and non-refundable.

ITEM 6. OTHER FEES*

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty Fee (Note 1)	1-5% of Royalty Items	On or before the 20 th of each month	We may require you to pay by Electronic Funds Transfer (“EFT”) or any other method
Franchise Sales Fee (Note 2)	10% of Franchise Fees	On or before the 20 th of each month	We may require you to pay by EFT or any other method.
Advertising Fee	1% of the Monthly Contract Revenue	On or before the 20 th of each month	Only if we establish an Advertising Fund.
Additional Training or Assistance (Note 3)	Reasonable Fee fee, up to <u>\$1,000 per day</u>	As incurred	This is for additional training or assistance we may provide from time to time or that you request.
Renewal Fee	25% of the Initial Master Franchise Fee	Payable on renewal	Payable when you renew the Subfranchisor Master Agreement.
Transfer Fee	25% of the then current Initial Master Franchise Fee	Payable on transfer	Payable when you sell your franchise, an interest in you or the assets of your Master Franchise Business.
Audit Fee (Note 4)	Cost of audit	30 days after billing	If we determine that you have been deficient by more than 2% on payment of fees owed to us.
Interest on Late Payments (Note 4)	Lesser of 1 ½% per month or maximum legal rate	Payable on demand	This is in addition to any other rights we have under the Subfranchisor Master Agreement.
Late Report Fee	\$100 plus \$100 for each	Payable on demand	When you fail to send in your

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
(Note 4)	month the report is late		reports when due. This is in addition to any other rights we may have under the Subfranchisor Master Agreement.
Optional Purchases of equipment, supplies or marketing materials	Prices are listed on a price list	Pay by check with each order	An Affiliate may sell cleaning equipment and supplies. Payment may include cost of goods, taxes shipping and handling. We may sell marketing materials.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims from your Master Franchise Business operation.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Due when you do not comply with the Subfranchisor Master Agreement and we have to seek assistance to enforce the Agreement.
Taxes (Note 5)	Actual Costs	On demand	Payable if certain taxes are levied or assessed on the fees you pay to us or our affiliates.
Dispute Resolution Fees	\$50,000 plus attorneys' fees and expenses	Upon invoice	If you do not comply with our dispute resolution requirements in the Subfranchisor Master Agreement

* All fees are imposed by and are payable to us or our affiliates. All fees are non-refundable. All of the fees were uniformly imposed.

NOTE 1: **Royalty Fee.** You must pay us monthly by the twentieth (20th) day of the month, a Royalty Fee based on the percentages set forth in the following chart of the Royalty Items from the prior month.

Year of Operations	Percentage of Royalty Items
1	1%
2	2%
3	3%
4	4%
5 and each subsequent year	5%

“Royalty Items” means all of the following items:

- (i) Contract Revenues billed by you and/or your Subfranchisees;
- (ii) The amount of billings to Customer Accounts for Specialty Work you or your Subfranchisees perform; and
- (iii) Revenue from the sale or lease of supplies and equipment.

“Contract Revenue” means the total amount due from a Customer Account derived from the sale of goods or the performance of any cleaning services or cleaning related activity regardless of whether the cleaning is performed by you or your Subfranchisees, less any applicable taxes imposed on the sale of goods or services.

Note 5. Insurance. You must obtain, at a minimum, the insurance coverage that we require and to meet the other insurance-related obligations, all of which are described in detail in Section VI.K in the Subfranchisor Master Agreement. The range represents the monthly cost of insurance.

Note 6. Professional Fees. You will need to hire an attorney and an accountant to advise you on this offer to sell you a master franchise and to set up your Master Franchise Business. In addition, you will need to have an attorney review and possibly revise our Franchise Disclosure Document and the Subfranchise Agreement templates which you will use to sell Subfranchise Businesses for the Technician, On-Site Manager and Corporate franchise programs you will offer. Lastly, if your Development Area is in a state with a franchise registration law or a business opportunity law, your attorney may need to have the franchise registered with the appropriate state agency and you may need audited financial statements to do so.

Note 7. Additional Funds. This item estimates your initial startup expenses during the initial period of 3 months of the operation of your Master Franchise Business. These expenses include rent, payroll costs, benefits, utilities, additional supplies, etc., but do not include Royalty Fees, Franchise Sales Fees and Advertising Fees or any other expenses which are already listed in the above charts and do not include an owner's salary or draw. These figures are estimates, and you may have additional expenses in order to start the business. ~~Your costs will depend on factors including how closely you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for your services; the prevailing wage rates; competition; and sales level reached during the initial period.~~ We require that you have at least \$60,000 in liquid working capital available at all times.

Note 8. Total. These figures were based on the experience of our affiliate, Buildingstars Management, Inc. which has operated in the St. Louis area since 2000. ~~The expenses may differ in other parts of the country.~~ Except as described above, none of the fees listed in this Item are refundable. ~~Your financial condition and arrangements negotiated by you and the business decisions made by you will also affect these costs. There can therefore be no assurance that the experience of a particular Subfranchisor will correspond with the information presented above. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.~~

We do not offer, either directly or indirectly, financing to you for any items. (See Item 10 of this document.) The availability of financing will depend upon various factors like the availability of financing generally, your credit worthiness, other security that you may have, and the requirements of lending institutions concerning the type of business to be operated by you.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

At this time, you do not have to purchase or lease any goods, services, supplies, fixtures or equipment relating to the establishment or operation of your Master Franchise Business from us or any of our affiliates. However, you may want to purchase some janitorial supplies and equipment from our affiliates including Green Sky Southwest, Inc. or Green Sky Franchise Group, Inc.'s franchisees. In any event, you are obligated to purchase all products, services, supplies, computer hardware and software, equipment and materials required for the operation of your Master Franchise Business that meet our standards.

To protect and maintain the goodwill and public acceptance and recognition of the Marks and System, you must apply our specifications to your purchases of signs, stationery, business cards and office supplies with Marks imprinted on them. You may only use the business forms approved by us. Any forms we provide to you may be duplicated and used by you during the term of the Subfranchisor Master Agreement. The specifications and standards for all products may be included in the Confidential

Operations Manual which may be changed by us from time to time. You may purchase products, subject only to our approval, based upon the uniform quality standards and specifications previously adopted by us. Although we do not have any approved suppliers, if we did decide to approve a supplier you request, we will provide you with a decision within 60 days after receiving all necessary information.

You must purchase and continuously maintain during the term of the Subfranchisor Master Agreement, at a minimum, the insurance coverages ~~that we require~~ set forth below and must furnish to us evidence of such insurance as we reasonably request, together with information concerning claims and losses under such insurance. See Section VII.K of the Subfranchisor Master Agreement for greater details on the types of insurance coverage you must obtain.

<u>Type</u>	<u>Minimum Limits</u>
<u>Employee Dishonesty Coverage</u>	<u>\$50,000</u>
<u>Comprehensive General liability</u>	<u>\$2,000,000</u>
<u>Worker’s Compensation</u>	<u>“Statutory Limits”</u>

You are required to name us and our designated affiliates as additional insureds (without obligation to pay the premium or any deductible amounts, all of which will be paid by you). Such insurance must be carried with such responsible insurance companies and be in such form as is reasonably satisfactory to us. We have the right to require you to increase the types and amounts of insurance coverage we may, in our sole discretion, reasonably request.

The purchase of products from approved sources will represent approximately 1% of your overall purchases in opening the Master Franchise Business and 3% of your overall purchases in operating the Master Franchise Business. Our affiliate, Green Sky Southwest, Inc., sells cleaning supplies and equipment to franchisees. During the fiscal year 2023, Green Sky Southwest, Inc. had gross revenues of \$346,230 from product sales to franchisees.

Except for Green Sky Southwest, Inc., which is owned by an officer of ours, none of the other suppliers are owned by any of our officers. We and our affiliates may derive revenue from your purchases or leases. Neither we nor our affiliates have received any revenue based on purchases from franchisees or rebates based on purchases from franchisees. Except as provided above, neither we nor our affiliates are the approved supplier of any goods, products or services. We or our affiliates may decide to become a supplier of other goods, products and services in the future. If so, we or our affiliates would expect to derive income and profit from such sales.

There are no purchasing or distribution cooperatives. We do not provide material benefits (i.e., renewal or granting additional subfranchises) to a Subfranchisor based on a Subfranchisor’s purchase of particular products or services or use of a particular supplier. We do not negotiate purchase arrangements with suppliers for the benefit of Subfranchisor, however we reserve the right to do so in the future. We do not provide any material benefit to any Subfranchisor based on the Subfranchisor’s use of designated or approved suppliers.

your Master Franchise Business within 5 months after you sign the Subfranchisor Master Agreement, we have the right to terminate the Subfranchisor Master Agreement (Franchise Agreement – Sections VII.A and XI.A.2).

During the Operation of your Business, we will:

1. Provide you updates and revisions to the Franchise Disclosure Documents and Subfranchise Agreements (Subfranchisor Master Agreement – Section VI.E)
2. Furnish you, as we deem necessary, additional guidance, training and assistance. We can charge a reasonable fee for this service and our expenses (Subfranchisor Master Agreement- Section VI);
3. May make available sales and marketing materials for you to purchase at a reasonable fee (Subfranchisor Master Agreement – Section VI.F); and
4. Loan you one copy of the Manual (Subfranchisor Master Agreement - paragraph XII).
5. We may, but are not required to, set or assist you with establishing minimum or maximum prices, subject to state law.

Confidential Operations Manual

This Manual is confidential and remains our property. You must operate your business in strict compliance with the mandatory operational systems, procedures, policies, methods and requirements described in the Manual and in any supplemental bulletins and notices, revisions, modifications, or amendments to it, all of which are a part of the Manual. You will use the part of the Manual we designate to provide to your Subfranchisees. You may make changes only to this part of the Manual after you have received prior written consent from us. These changes may only be related to adding the information regarding you as the Subfranchisor and complying with state or local laws or requirements.

You must treat the Manual, any other manuals or written materials provided by us or our Affiliates for use in the operation of your Master Franchise Business, and the information contained in them, as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise make them available to any unauthorized person. The Manual will remain our sole property and must be kept in a secure place within your Master Franchise Business. It must be returned to us upon termination or expiration of your Subfranchisor Master Agreement.

We have the right to make additions to, deletions from or revisions to the Manual which you must comply with at your own cost. You must ensure that the Manual is kept current at all times. If there is any dispute as to the contents of the Manual, the terms of the master copy maintained by us, at our principal office, will be controlling. The table of contents of the Manual, including page numbers showing allocation of pages to each subject, is included as Exhibit B to this disclosure document. The Manual is 100 pages in length.

Advertising

We may develop an Advertising Fund to which you may be required to contribute up to 1% of your monthly Contract Revenue on a monthly basis. When and if developed, we will direct all advertising programs with sole discretion over the creative concepts, materials and media used in these programs and their placement and allocation. The media used may include print, television, radio,

President and is charged with helping all corporately run subfranchises hit their growth and profit goals. Prior to joining Buildingstars, Chris worked in the enterprise software space selling for Kronos. Prior to Kronos he was employed by ADP where he held several positions ranging from Sales to Sales Manager.

Ryan Lemmon

Ryan joined Buildingstars in December 2010 as an account manager. In February 2014 he was promoted to Director of Operations. He is responsible for the orientation and training of new franchisees, as well as the development and specialty services training for Onsite Manager and Corporate level franchisees. He is familiar with all aspects of the Operational Systems at Buildingstars, and collaborates with Subfranchisors with regard to their Operational systems and training franchisees. In August 2016, Ryan became the Regional Director of the St. Louis, MO territory. In May 2021, Ryan was promoted to Area Vice President where he oversees daily operations of several Company-owned regions.

We, although not obligated to do so, may from time to time require that previously trained and experienced Subfranchisors or their employees attend and successfully complete Refresher Training Programs or seminars to be conducted at our principal office or such other locations that we shall designate. We reserve the right to charge a reasonable fee for the Refresher Training Programs or any such additional training. You must pay the travel and living expenses and wages for yourself and your employees.

ITEM 12. TERRITORY

You will conduct and operate your Master Franchise Business from an office located within your Development Area. You and we will agree upon a development area before you sign your Subfranchisor Master Agreement, which will be listed in Exhibit I of the Subfranchisor Master Agreement (“Development Area”). Generally, development areas are designated by specific counties, cities or metropolitan areas sufficient to encompass a specific population. The Initial Master Franchise Fee is typically \$5,000 per 100,000 in population based on the most recent Metropolitan Statistical Areas (MSAs) as estimated by the United States Census Bureau. However, it may be more or less depending on the quality and quantity of commercial establishments in your Development Area and other demographic considerations. Your Development Area will neither be reduced nor increased due to any change in population or for any other reason. The determination of your Development Area is no assurance that the Master Franchise Business will be successful, and we do not assume any responsibility for determining your Development Area. You are responsible for independently evaluating any Development Area in which you are interested and satisfying yourself as to its appropriateness. You may not solicit or accept Subfranchisees or Customer Accounts from outside of your Development Area. You may not use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing to make sales outside of your Development Area. You may relocate your office so long as it is within your Development Area without our consent.

So long as the Subfranchisor Master Agreement is in force and effect and you are not in default, neither we nor our affiliates will operate or grant others the right to operate a Cleaning Business, a Subfranchise Business or a master franchise business within the Development Area. We and our affiliates reserve all other rights including the following: (i) the right to operate or allow others to operate a Cleaning Business, a Subfranchise Business or a master franchise business anywhere outside of the Development Area; (ii) the right to operate or allow others to operate a cleaning business or any other type of business under different marks anywhere including within the Development Area, however, so long as you are not in default under the Subfranchisor Master Agreement, we will not operate or allow others to operate a cleaning business or any other type of business that competes directly with you or your subfranchisees under different marks anywhere within the Development Area; and (iii) the right to

sell some or all of the products and services authorized for sale by you in any channel of distribution, including [the internet and](#) the wholesale sale of products and/or to provide management and/or consulting services using the System and/or the Marks or using a different system or marks anywhere, [including within the Development Area](#). We and our affiliates do not have to pay you ~~a fee~~ [any compensation](#) for exercising these rights, [including soliciting or accepting orders](#), in your Development Area.

You agree and affirm that we and our affiliates may sell ourselves, our assets, our proprietary marks and/or the System to a third party; may go public; may engage in a private placement of some or all of its securities; may merge, acquire other corporations or entities, or be acquired by another corporation or entity; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of the Mark (or any variation thereof) and System and/or the loss of association with or identification of “Buildingstars” as a Subfranchisor under the Subfranchisor Master Agreement. If we assign our rights in the Subfranchisor Master Agreement, nothing will be deemed to require us to remain in the cleaning business or to offer or sell any products or services to you.

You cannot interfere with, service or solicit customers of ours, any of our affiliates or their franchisees, licensees or independent contractors.

You have no options, rights of first refusal, or similar rights to acquire additional master franchises. Although we and our Affiliates have the right to do so, we and our affiliates have not operated or franchised and have no plans to operate or franchise other businesses selling or leasing similar products or services under different trademarks.

During the term of the Subfranchisor Master Agreement, you must (i) procure, screen, qualify, train and assist Subfranchisees to open and operate Subfranchise Businesses within the Development Area in compliance with the below table, and (ii) collect a minimum amount of annual Contract Revenues each year in accordance with the below table (collectively, “the Minimum Development Obligation”).

Minimum Number of Subfranchisees Operating by the End of Each Year:

Year	Total Minimum Number of Subfranchisees Open and Operating by the End of Each Year
1	6
2	12
3	18
4	24
5	30
6	36
7	42
8	48
9	54
10	60

Minimum Annual Contract Revenues Requirement:

Year	Subfranchisor’s Minimum Annual Contract Revenues
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VI. OBLIGATIONS OF INTERNATIONAL

A. Training. INTERNATIONAL will provide an initial training program for the operation of the Master Franchise Business using the System and Marks for one of the Principal Owners and one other person. The initial training program is furnished after this Agreement is executed and prior to the opening of the Master Franchise Business for a one (1) week period at INTERNATIONAL's offices and then at SUBFRANCHISOR's offices. SUBFRANCHISOR shall pay all transportation, lodging, meals and other expenses incurred by it and its employees in attending this program. If SUBFRANCHISOR's Principal Owner does not satisfactorily complete the training program, INTERNATIONAL may terminate this Agreement. Satisfactory completion of the training program is, however, no assurance of the success of the Master Franchise Business.

B. Refresher Training. INTERNATIONAL may provide additional or refresher training programs and meetings from time to time at such place and time as may be designated by INTERNATIONAL and INTERNATIONAL may make SUBFRANCHISOR's attendance at such training programs and meetings mandatory. SUBFRANCHISOR shall pay all transportation, lodging, meals and other expenses incurred by it and its employees in attending such programs and meetings and INTERNATIONAL shall have the right to charge a reasonable fee (up to \$1,000 per day) for such training programs and meetings.

C. Continuing Advisory Assistance. INTERNATIONAL will make available such continuing advisory assistance in the operation of the Master Franchise Business, rendered in such manner, as INTERNATIONAL may deem appropriate. INTERNATIONAL reserves the right to charge a reasonable fee (up to \$1,000 per day) for such assistance as well as to be compensated for any travel expenses including but not limited to transportation, lodging, meals and other expenses INTERNATIONAL or its agents and employees incur providing such advisory assistance.

D. Confidential Operations Manuals. INTERNATIONAL will loan SUBFRANCHISOR, during the Term, one copy of the Manual, which may cover such items as general business methods, merchandising, financial reporting requirements, requirements for Subfranchisees, confidentiality agreements, plans and specifications, approved suppliers, etc., as may be modified from time to time. The Manual is a confidential trade secret of INTERNATIONAL and shall remain the property of INTERNATIONAL. The Manual cannot be photocopied, reproduced, or disseminated without INTERNATIONAL's written consent. SUBFRANCHISOR shall at all times ensure that its copy of the Manual is kept current and up-to-date; and, in the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by INTERNATIONAL shall be controlling. Upon termination or expiration of the Term, SUBFRANCHISOR shall return the Manual to INTERNATIONAL. SUBFRANCHISOR agrees that it shall strictly comply with all of the mandatory requirements in the Manual and such compliance is an essential part of its obligations under this Agreement. SUBFRANCHISOR shall at all times be responsible for ensuring that its employees and all other persons under its control comply with the mandatory portions of the Manual in all respects.

SUBFRANCHISOR understands and agrees that due to changes in competitive circumstances, presently unforeseen changes in the needs of customers, and/or presently unforeseen technological innovations, the System may need to undergo changes in order that it best serve the interests of the SUBFRANCHISOR, INTERNATIONAL and System. Subject to the other provisions of this Agreement, SUBFRANCHISOR expressly agrees to abide by any such modifications, changes, additions, deletions and alterations, including but not limited to the purchase of new and additional equipment (including but not limited to software and hardware equipment) and acknowledge that such modifications, changes, additions, deletions and alterations may require further expenditures by SUBFRANCHISOR.

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

All representations 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.

Nothing in the Franchise Agreement prevents the franchisee from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Franchise Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee.

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.

~~Section 22(A), Section 22(B), and Section 22(D) are deleted from the Franchise Agreement~~

[Exhibits II, III, and IV to the Franchise Agreement \(the Form Franchise Agreements – Technician, On-Site Manager, and Corporate\) are each modified to delete Section XVII.A therein.](#)

[Exhibits II, III, and IV to the Franchise Agreement \(the Form Franchise Agreements – Technician, On-Site Manager, and Corporate\) are each modified to delete the following sentence in Section XVIII therein:](#)

[THE SUCCESS OF THE MASTER FRANCHISE BUSINESS IS SPECULATIVE AND DEPENDS, TO A LARGE EXTENT, UPON THE ABILITY OF SUBFRANCHISOR AS AN INDEPENDENT BUSINESS PERSON, AS WELL AS OTHER FACTORS. INTERNATIONAL DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTY AS TO THE POTENTIAL SUCCESS](#)

OF THE BUSINESS AND NO ONE IS AUTHORIZED TO MAKE ANY SUCH REPRESENTATIONS OR WARRANTIES.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

[Signature page to follow]

CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

[The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.](#)

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT [AT LEAST 14 DAYS PRIOR TO EXECUTION OF AGREEMENT](#).

OUR WEBSITE WWW.BUILDINGSTARS.COM HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AND COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

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.

[SECTION 31512.1 FRANCHISE AGREEMENT PROVISIONS VOID AS CONTRARY TO PUBLIC POLICY:](#)

[ANY PROVISION OF A FRANCHISE AGREEMENT, FRANCHISE DISCLOSURE DOCUMENT, ACKNOWLEDGEMENT, QUESTIONNAIRE, OR OTHER WRITING, INCLUDING ANY EXHIBIT THERETO, DISCLAIMING OR DENYING ANY OF THE FOLLOWING SHALL BE DEEMED CONTRARY TO PUBLIC POLICY AND SHALL BE VOID AND UNENFORCEABLE:](#)

[\(a\) REPRESENTATIONS MADE BY THE FRANCHISOR OR ITS PERSONNEL OR AGENTS TO A PROSPECTIVE FRANCHISEE.](#)

[\(b\) RELIANCE BY A FRANCHISEE ON ANY REPRESENTATIONS MADE BY THE FRANCHISOR OR ITS PERSONNEL OR AGENTS.](#)

[\(c\) RELIANCE BY A FRANCHISEE ON THE FRANCHISE DISCLOSURE DOCUMENT, INCLUDING ANY EXHIBIT THERETO.](#)

[\(d\) VIOLATIONS OF ANY PROVISION OF THIS DIVISION.](#)

Item 3, Additional Disclosure:

Neither we nor any person described 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.