

FRANCHISE DISCLOSURE DOCUMENT

ROLLING SUDS FRANCHISING LLC
Pennsylvania Limited Liability Company
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The franchisee will operate a power washing business for residential and commercial buildings and structures using a low-pressure, soft wash technique and related services and products under the “Rolling Suds” trademarks.

The total investment necessary to begin operation of a Rolling Suds franchise ranges from ~~\$182,650~~—\$291,64,150 - \$263,100. This includes \$114,84,900 that must be paid to the franchisor.

The total investment necessary to begin operation of three (3) Rolling Suds franchises ranges from \$273,950 - \$372,900. This includes \$194,700 that must be paid to the franchisor.

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 the disclosure document at least 14 calendar days before you sign a binding agreement with or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

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, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 12, 2024

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 us by arbitration, mediation and litigation only in Pennsylvania. Out-of-state arbitration, mediation and litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate and litigate with us in Pennsylvania than in your own state.
2. **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.
3. **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.
4. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales level. Your inability to make the payments may result in termination of your franchise and loss of your investment.
5. ~~**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.~~
65. **Supplier Control.** You must purchase all or nearly all the inventory or supplies that are necessary to operate your business from the franchisor, or its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
6. ~~**Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.~~
7. ~~**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.~~

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.

DISCLOSURES REQUIRED BY CONNECTICUT LAW

~~_____ The State of Connecticut does not approve, recommend, endorse, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.~~

Name of Seller: _____

Franchised Business may be seasonal. The market may also be affected by economic conditions in your designated territory.

You will compete with power washing businesses, including national, regional and local companies, offering services similar to those offered by your Franchised Business. There are other power washing franchises, as well as independent businesses and individual providers that may offer similar services and products.

Industry Specific Regulations:

Some states may have licensing, certification, or registration requirements applicable to some or all of the services you will be providing through your Franchised Business. You may be required to pay a fee to the state agency or association responsible for enforcing these requirements. Some states may require a minimum level of education or related work experience to obtain licenses.

There may be federal, state and local laws which affect your Franchised Business in addition to those listed here. You will be responsible for investigating and complying with any such laws in your designated territory. You should consider both their effect on your business and the cost of compliance. You should thoroughly investigate all of these laws and requirements before purchasing a Rolling Suds franchise.

ITEM 2: BUSINESS EXPERIENCE

Aaron Harper: CEO

Aaron has been our CEO of Rolling Suds Franchising, located in Warrington, Pennsylvania, since December of 2022. From June 2017 to October 2022, Aaron was the Senior Director of Franchise Development for Belfor Franchise Group located in Nashville, Tennessee. In August of 2022 Aaron became the founder and CEO of Franchise Overdrive in Nashville, Tennessee.

Brian Wendling Sr: Founder

Brian Wendling Sr. is our Founder. Since its founding in August 1990, Brian Wendling Sr. has been and remains President of our affiliate, Rolling Suds, Inc., located in Warrington, Pennsylvania.

Brian Wendling Jr: Vice President of Operations

Brian Wendling Jr. is our Vice President of Operations since our inception in March of 2021. Since November of 2015, Brian Wendling, Jr. has been and remains Vice President of our affiliate, Rolling Suds, Inc., located in Warrington, Pennsylvania.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5: INITIAL FEES

We will charge you an initial franchise fee (“Initial Franchise Fee”) when you sign the Franchise Agreement. The Initial Franchise Fee is Fifty Four Thousand Nine Hundred Dollars (\$54,900.00). This payment is fully earned by us and due in lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable under any circumstance.

You will also be required to purchase a ~~new business set~~ brand launch package from us or an affiliate that will cost ~~\$60~~ Thirty Thousand Dollars (\$30,000 (“New Business Set”)-.00) (“Brand Launch Package”). This ~~New Business Set~~ Brand Launch Package includes, among other things, ~~initial advertising purchases and subscriptions, uniforms, and business cards.~~ This business set includes the , microsite setup, grand opening print marketing package materials, website design & social media setup. This Brand Launch Package includes the creation of the vehicle wrap for your first truck/sales vehicle, but not its installation. The Brand Launch Package also includes the setup of your commercial leads program and other in territory marketing. There is no guaranty of the number of leads that may be provide as well as ~~the second truck in the development schedule~~ a result of the marketing included in the Brand Launch Package. A portion of the cost of the Brand Launch Package shall be used to improve System infrastructure. This fee is due when you sign the Franchise Agreement and is nonrefundable under any circumstance.

From time to time, we may offer special incentive programs as part of our franchise development activities. We reserve the right to offer, modify or withdraw any incentive program without notice to you. We currently offer a twenty percent (20%) discount from the Initial Franchise for honorably discharged veterans of the U.S. Armed Forces and First Responders.

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	8% of Gross Revenue generated per month; if you fail to achieve the Minimum Gross Revenue we may collect a minimum Royalty Fee.	Monthly via ACH on the 5 th of the Month for the month prior	Payable to us. See note 1 and 2.
Required Minimum Expenditure for Local Marketing and Advertising	Minimum of 4% of Gross Revenue or \$2,500 per truck per month, whichever is greater.	As incurred <u>Monthly via ACH on the 1st of the Month.</u> If required <u>Local Advertising exceeds \$2,500 per truck per month the balance shall be payable on the 5th of the month.</u>	Payable to us <u>approved vendors.</u> All advertising must be approved by us. See Item 11. See Footnote 3.
Brand Fund Contribution	2% of monthly Gross Revenue; if you fail to achieve the Minimum Gross Revenue we may collect a minimum Brand Fund Contribution.	Monthly via ACH at the same time as Royalty.	Payable directly to the Brand Fund. See Footnote 4.

Type of Fee	Amount	Due Date	Remarks
Technology Fee	Currently \$600 per month.	Monthly via ACH at the same time as Royalty.	Payable to us. See Footnote 5. <u>If you operate more than one Rolling Suds Franchise, you will only need to pay one Technology Fee.</u>
Business Phone Fee	Then-current fee, which is currently \$35.99 per month	Monthly via ACH as the same time as Royalty	Payable to us. <u>If you operate more than one Rolling Suds Franchise, you will only need to pay one Business Phone Fee.</u>
Lead Command Center Management Fee	\$250 per month	As incurred	Payable to us.
Bookkeeping Services Fee	\$400 per month	As incurred	Payable to approved vendor
Call Center Fee	\$20 per booked appointment	As incurred	Payable to us or third party.
Initial Training	No charge for <u>The cost of training is included in the initial training of</u> up fees paid to 3 people Franchisor. You may pay all travel and other related expenses incurred by all trainees. The current fee for replacement trainees or additional trainees that cannot be accommodated is \$500 per person	As incurred	Initial training takes place in Philadelphia, Pennsylvania area. You must pay the incidental costs of attendance, which include but are not limited to, airfare, transportation, hotel, and food costs for all trainees. Incidental costs are payable to third-party suppliers. Fees for additional or replacement trainees are payable to us. See item 11.
Annual Convention	The then-current fee, \$799 maximum per person to attend the Annual Convention	Before the start of the event	To help offset our out-of-pocket expenses for meeting space, meals, audio visual rental, workbooks, speakers, etc. Does not include travel, lodging, or all meals. Location varies, these fees are payable to and imposed and collected by third parties. The Annual Convention Fee shall be due to Franchisor whether or not you attend the convention.
Regional Meetings and/or Additional Training	Up to \$500 per person per event for Regional Meetings and/or Additional Training	Before the start of the event	To help offset our out-of-pocket expenses for meeting space, meals, audio visual rental, workbooks, speakers, etc. Does not include travel, lodging, or all meals. Location varies, these fees

Type of Fee	Amount	Due Date	Remarks
			are payable to and imposed and collected by third parties. See Footnote 6.
Transfer Fee	\$10,000	Due upon the transferee signing the new Franchise Agreement	Due upon transfer of the franchise agreement. No charge if the transfer is to an entity controlled by you to a spouse or child (for the first transfer of this kind). We reserve the right to increase this fee. These fees are non-refundable.
Renewal Agreement Fee	\$5,000	At the time you sign a Franchise Agreement for a Successor term	Payable if you enter into a Renewal Franchise Agreement.
Territory Encroachment Fee ⁷	The fee for marketing or servicing outside of your Territory and in another franchisee's Territory without permission is the greater of (a) \$500 or (b) 75% of job invoice amount on the default job.	Due by automatic debit 30 days after written notice	Due after default of marketing or servicing outside of your Territory. This Territory Encroachment Fee will then be paid to Franchisee whose territory was encroach upon.
Non-Compliance Fee	The current fee for any non-compliance with our system specifications or provision of the Franchise Agreement, currently \$100 per week.	Due by automatic debit 30 days after written invoice	Due after any non-compliance with our system specifications or any provision of the Franchise Agreement. If such non-compliance is ongoing, we may charge you \$100 per week until you cease such non-compliance.
Examination of Books and Records	Actual cost of examination plus related expenses. <u>\$0-\$1,500</u>	As incurred.	We have the right under the Franchise Agreement to examine your books, records and tax returns pertaining to the Franchised Business. If an examination reveals that you have understated any Gross Revenue report by two percent (2%) or more, you must pay to us the cost of the audit and all travel and related expenses, in addition to repaying monies owed and interest on the monies owed.
Insurance	Cost of insurance; If you fail to maintain the required insurance, we have	As incurred	You are required to maintain the types and amounts of insurance specified in Item 8 and, as more

Type of Fee	Amount	Due Date	Remarks
	the right to procure insurance on your behalf and you must pay us, on demand, for the costs and premiums we incur plus 10%		detailed, the Franchise Agreement.
Interest Charge	1.5% per month or the maximum permitted by law	Due by automatic debit each Friday	Due on all overdue amounts from the date the amounts were originally due.
Indemnification	Actual Cost.	As incurred	You must reimburse us if we are held liable for claims directly or indirectly arising out of your Rolling Suds operation. See Footnote 8.
Costs and Attorney's Fees	Actual Cost.	As incurred	Payable to us
Quality Assurance Services	Actual Cost.	As incurred.	Payable to third-party providers or us. See footnote 9.
Vendor Evaluation Fee	Actual Cost. <u>\$0-\$1,500</u>	As incurred.	Payable to us. See footnote 10.
National Account Program Per-Job Fee	None currently assessed. If we provide accounts/jobs through a national or regional accounts program, you will pay an additional 5% of Gross Revenue for that job booked as a part of the National Account Program Per-Job.	As incurred	Payable to us. Franchisee will be able to determine on a case by case basis if they will undertake a job referred as part of the National Account Program Per-Job.

All fees and expenses described in this Item 6 are nonrefundable and are uniformly imposed. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us.

¹ **Royalty Fee.** You must pay us a Royalty Fee equal to eight percent (8%) of the Gross Revenue generated monthly by your Franchise, subject to the Minimum Gross Revenue. “Gross Revenue” includes all sales of every kind and nature at or from your Rolling Suds location or made pursuant to the rights granted to you by the Franchise Agreement, regardless of whether you have collected the amount of the sales. “Gross Revenue” does not include (i) receipts from any sales tax or similar taxes collected from customers and turned over to the governmental authority imposing the tax, (ii) properly documented refunds to customers, or (iii) properly documented promotional discounts (i.e., coupons). If you do not report any sales in a month then we will collect 120% of the last Continuing Royalty Fee collected and settle the balance the next month in which you report revenue. We must receive your payments on or before the fifth (5th) of each month for the previous calendar month. You are required to set up authorization at your bank to allow us to electronically transfer funds from your bank account to our bank account. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds. Franchisor reserves the right to collect the Royalty Fee on all invoiced amounts upon thirty (30) days notice to Franchisee.

² **Minimum Gross Revenue.** If you fail to achieve the minimum level of monthly Gross Revenue we may collect a Royalty Fee and Brand Fund Contribution equal to what you would have been assessed had you achieve the minimum level of Gross Revenue. Franchisor, in its sole discretion, may adjust the reporting period for the minimum gross revenue to take into account the seasonality of a particular franchised outlet. You must maintain a monthly minimum gross revenue as follows (“Minimum Gross Revenue”):

Month From Effective Date	Monthly Minimum	Annual Minimum
0-12	\$0	\$0
13 – 24	\$35,417	\$425,000
25 – 36	\$62,500	\$750,000
37 – 48	\$100,000	\$1,200,000
49 – 60	\$105,000	\$1,260,000
61 – 72	\$110,250	\$1,323,000
73 – 84	\$115,763	\$1,389,150
85 – 96	\$121,551	\$1,458,608
97 – 108	\$127,628	\$1,531,538
109 – 120	\$134,010	\$1,608,115
121+ any successor term thereof	\$140,710	\$1,688,521

Failure to achieve Minimum Gross Revenue may result in the termination of your Franchise Agreement.

³ **Local Advertising.** You must ~~pay to Franchisor or our affiliate or spend~~ the greater of Two Thousand and Five Hundred Dollars (\$2,500) per truck in operation or four percent (4%) of your Gross Revenue per month, on local advertising and marketing activities. ~~Franchisor shall use these funds with third party marketing suppliers for local advertising in your territory. These funds will be used to pay for lead generation, print materials, newspaper and magazine article, and other means at our sole discretion. In addition to the ad spend with marketing suppliers, a portion of the local advertising budget will be used to support the infrastructure for the Rolling Suds Leads Center, which will centralize local marketing efforts and manage supplier relationships with approved vendors.~~ We do not guaranty that local marketing will generate a specific number of leads in your territory.

⁴ **Brand Fund Contribution.** You must contribute to our Brand Fund, two percent (2%) of monthly Gross Revenue generated by your Rolling Suds outlet, subject to the Minimum Gross Revenue. Payments are due on

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

One Rolling Suds Franchise Agreement

Type of Expenditure	Amount Low	Amount High	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee ¹	\$54,900	\$54,900	Lump Sum	At the Signing of the Franchise Agreement	Us
Your Training Expenses ²	\$1,500	\$3,000	As Arranged	As Incurred	Third parties for travel and lodging
Down Payment On Service Vehicle	\$10,000	\$50,000	As Arranged	As Incurred	Suppliers/ Vendors
Down Payment on Sales Vehicle	\$0	\$10,000	As Arranged	As Incurred	Suppliers/ Vendors
New Business Set <u>Brand Launch Package</u> ³	\$603,000	\$603,000	Lump Sum	At the Signing of first Franchise Agreement, not applicable for additional franchises awarded to you	Us
Premises lease deposit and first month's rent and utilities ⁴	\$4,000	\$8,000	As Agreed	Upon signing lease	Landlord
Leasehold Improvements, Construction and/or Remodeling	\$0	\$1,000	As supplier/ Vendor Requires	As Incurred	Suppliers/ vendors
Business Licenses and Permits ⁵	\$150	\$500	As Arranged	As Incurred	Governmental agencies
Technology Systems ⁶	\$100	\$1,200	As Arranged	As Arranged	Suppliers
Shop Kit Inventory Package ⁷	\$12,500 <u>\$5,000</u>	\$469,000	As Arranged	As Arranged	Suppliers, Us
Cleaning Solutions	\$1,000	\$3,000	As Arranged	As Arranged	Suppliers, Us
Service Vehicle Financing Monthly Payment ⁸	\$4,500	\$7,500	As Arranged	As Arranged	Suppliers
Sales Vehicle ⁹	\$0	\$1,500	As Arranged	As Arranged	Suppliers
Professional Fees ¹⁰	\$1,000	\$2,500	As Arranged	As Incurred	Suppliers

Type of Expenditure	Amount Low	Amount High	Method of Payment	When Due	To Whom Payment is Made
Local Advertising (3 months) ¹⁰ 11	\$7,500	\$8,500	As Arranged	Within 90 days of commencing operations	Suppliers, Us
<u>Grand Opening Advertising</u> ¹²	<u>\$13,500</u>	<u>\$13,500</u>	<u>As Arranged</u>	<u>As Incurred</u>	<u>Suppliers</u>
Insurance ¹¹ <u>Insurance</u> ¹³	\$1,000	\$4,000	As Arranged	As Arranged	Suppliers
Operating Expenses / Additional Funds – 3 months ¹² <u>months</u> ¹⁴	\$30,000	\$55,000	As Arranged	As Arranged	Cash reserves in franchisee's banking account to pay ongoing payroll, suppliers, and vendors.
TOTAL	\$182,650 – \$291,164,150 - \$263,100				

Three Rolling Suds Franchise Agreements

Type of Expenditure	Amount Low	Amount High	Method of Payment	When Due	To Whom Payment is Made
<u>Initial Franchise Fee</u> ¹	<u>\$164,700</u>	<u>\$164,700</u>	<u>Lump Sum</u>	<u>At the Signing of the Franchise Agreement</u>	<u>Us</u>
<u>Cost of first Rolling Suds Franchised Business</u>	<u>\$109,250</u>	<u>\$208,200</u>	<u>As Arranged</u>	<u>As Incurred</u>	<u>Third parties for travel and lodging</u>
<u>TOTAL</u>	<u>\$273,950 - \$372,900</u>				

¹ Please see Item 5 for information on incentive programs that may offer a discount on the Initial Franchise Fee. The amounts stated in the single unit tables is for one outlet operated pursuant to a single Franchise Agreement.

² The cost of the Initial Management Training Program is included in the ~~Initial Franchise Fee~~ initial fees paid to the Franchisor. The Initial Management Training Program takes place both virtually and in Warrington, Pennsylvania. The chart estimates the costs for transportation, lodging, and meals for your trainee(s). These incidental costs are not included in the Initial Franchise Fee. Your costs will depend on the number of people attending training, their point of origin, method of travel, class of accommodation, and living expenses. The duration of the in-person training program is up to five (5) days. This estimate does not include employee wages.

³ The ~~New Business Set~~ Brand Launch Package purchased from us or an affiliate includes, among other things ~~some initial marketing costs,~~ uniforms, business cards, and other promotional materials. This business set ~~microsite setup, grand opening print marketing materials, website design & social media setup. This Brand Launch Package includes the grand opening marketing package~~ vehicle wrap for your first truck as well as the

~~second truck in the development schedule, sales vehicle, but not its instillation. The costs listed here do not include any transportation or set up costs. This amount Brand Launch Package also includes the Grand Opening Marketing Fee for setup of your first two Franchised Business.~~

⁴~~The low end of this estimate represents a home office. The upper end commercial leads program and other in territory marketing. There is no guaranty of this the number of leads that may be provide as a result of the marketing included in the Brand Launch Package. A portion of the cost of the Brand Launch Package shall be used to improve System infrastructure.~~

⁴This estimate represents a deposit and two months of rent for a location with 2,000 – 4,000 square feet of light industrial warehouse and office space with access to a water source and space and parking for service vehicles, plus utilities deposits you may incur. Real estate costs vary widely from place to place. This estimate is based on the experience of our affiliate-owned outlets. Rental rates may be more or less than this range depending on the location of your Franchised Business.

⁵ You are responsible for applying for, obtaining, and maintaining all required permits and licenses necessary to operate your Franchised Business. This estimate includes the cost of local business licenses that typically remain in effect for 1 year. This estimate further includes the initial cost of licenses, certifications and/or permits that may be required by you or your employees to provide services offered by the Franchise. The costs of permits and licenses will vary by location.

⁶ We require you to purchase computer systems and software meeting our minimum specifications for use in your Franchised Business. This estimate includes the cost of a laptop, smartphone, tablet, and purchase, installation, and access to the software we require. The low end of this estimate assumes that you already have a phone, tablet, and computer acceptable to us. You must also have Internet and other telecommunications equipment and services in accordance with our standards to permit electronic transmission of reports and revenue and customer information. We reserve the right to change your requirements for computer hardware and software at any time.

⁷ You must purchase your Shop Kit Inventory Package of cleaning equipment and cleaning solutions from our approved and designated suppliers. This initial inventory is intended as a minor supplement to the parts and supplies that you will be required to purchase on a customer-to-customer basis and in connection with the day-to-day operations of your Rolling Suds business.

⁸ You must use a vehicle of the make, model, and age we require, for travel to your clients' properties. Your vehicle must be in good condition, in Franchisor discretion, at the time vehicle wrapping occurs, free of noticeable dents or damage. If you must purchase or lease a vehicle, we list current acceptable manufacturer/models in our operations manual. There are 7 different makes and models that can range from new to 5 years old currently listed within our operations manual. The high end of the above estimate represents the cost of three (3) months of lease payments on a vehicle with a \$10,000 down payment. You must maintain your vehicle in good working order, cleanliness and appearance and promptly repair any visible exterior damage, including but not limited to, dents and scratches. Your actual costs may be higher than the above-listed amount, depending on the quantity of equipment you lease and your credit history. We recommend that you lease this equipment from our approved suppliers. You may elect to purchase, rather than lease, your equipment. If you plan to purchase your vehicle the cost will be significantly higher than what is listed above.

⁹ You must use a vehicle of the make, model, and age we require, for travel to your clients' properties. Your vehicle must be in good condition, in Franchisor discretion, at the time vehicle wrapping occurs, free of noticeable dents or damage. You may use a vehicle you currently own, if we determine, in our sole discretion, that it meets our specifications, and we give our consent. If you must purchase or lease a vehicle, we list current acceptable manufacturer/models in our operations manual. The high end of the above estimate represents the cost of three (3) months of lease payments on a vehicle with no down payment, the low end of the above estimate assumes you have a vehicle that is acceptable for use by Franchisor. You must maintain your vehicle in good working order, cleanliness and appearance and promptly repair any visible exterior damage, including

but not limited to, dents and scratches. Your actual costs may be higher than the above-listed amount, depending on your credit history. If you plan to purchase your vehicle the cost will be significantly higher than what is listed above.

¹⁰ You may incur professional fees depending on the scope of work performed, which may include, legal and accounting fees to review franchise documents and costs of forming a separate legal entity. This list is not exhaustive. This amount will vary greatly depending on your specific needs and location. We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this disclosure document, and the Franchise Agreement. It is also advisable to consult these professionals to review any other contracts that you will enter into as part of starting your Franchised Business.

¹¹ This number represents three months of local advertising spending. You must spend the greater of 4% of Gross Revenue or \$2,500 per month on Local Advertising or Marketing.

¹² During the launch of your first service vehicle we require you to spend \$1,500 per month for nine months with our required vendors on local advertising and promotional activities in your Territory. This is in addition to your ongoing local advertising requirement of 4% of Gross Revenue or \$2,500 per month.

¹³ Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. Each policy must name us, and our respective officers, directors, partners, agents, and employees as additional insured parties, contain a waiver of the insurance company's rights of subrogation against us, and be Primary Non-Contributory. We estimate that you will have to pay your insurance carrier or agent the full annual premium in advance. Insurance costs and requirements may vary widely in different localities. We reserve the right to require additional types of insurance and coverage as provided in the Franchise Agreement.

¹⁴ This is an estimate of the amount of additional funds that you may need to operate your Franchised Business during the first three (3) months after commencing operations. This estimate includes such items as initial payroll, taxes, bank charges, miscellaneous supplies and equipment, initial staff recruiting expenses, additional marketing costs and other miscellaneous items. These estimates do not include any compensation to you, nor do they include debt service. These items are by no means all-inclusive of the extent of possible expenses.

We relied upon the experience of our affiliate-owned Rolling Suds outlet to compile these estimates. You should review these figures carefully with a business advisor before making any decision to invest in the franchise. ~~Your additional costs will depend on factors such as how closely you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for our service; competition; and the sales level reached during your initial period.~~ We estimate that a franchisee can expect to put additional cash into the business during at least the first three (3) months, and sometimes longer.

We do not offer direct or indirect financing to franchisees for any other items included in this section.

All fees and payments are non-refundable, unless otherwise stated or permitted by payee.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have identified various suppliers, distributors and manufacturers of equipment, inventory, supplies and services that your Franchised Business must use or provide which meets our standards and requirements. You must purchase all equipment, inventory, supplies and services from our designated suppliers and contractors or in accordance with our specifications. We maintain written lists of approved items of equipment, inventory, supplies and services (by brand name and/or by standards and specifications) and a list of designated suppliers and contractors for those items. We will update these lists periodically and issue the updated lists to all franchisees.

We approve suppliers after careful review of the quality of the products and services they provide to us and our franchisees. If you would like us to consider another item or supplier, you must make such request in writing to us and have the supplier give us samples of its product or service and such other information that we may require. If the item and/or supplier meets our specifications, as we determine in our sole discretion, we will approve it as an additional item or supplier. We will notify you whether we approve or disapprove of the proposed item or supplier within 30 days after we receive all required information to evaluate the product or service. We reserve the right to revoke approval of any item or supplier that does not continue to meet our then-current standards. Our criteria for approving items and suppliers are not available to you. If you request that we approve a proposed item or supplier, we will charge you an evaluation fee equal to our actual costs that is non-refundable.

In the fiscal year ending December 31, 2023, we have received \$16,113.74 in rebates from required purchases by franchisees.

Franchisor or our affiliate are the required supplier for the initial equipment package which includes the power washing equipment, uniforms, and promotional materials needed to open for business. Franchisor reserves the right to be the required supplier for additional equipment or services in the future.

Other than the above, there are no approved suppliers in which any of our officers owns an interest.

We do receive revenue, rebates, discounts, or other material consideration from any other suppliers based on your required purchases of products, supplies, or equipment; ~~however, we may do so in the future~~, and any rebates or discounts we receive may be kept by us in our sole discretion.

We estimate that your purchase or lease of products, supplies and services from approved suppliers (or those which meet our specifications) will represent approximately 100% of your costs to establish your Franchised Business and approximately 35% - 45% of your costs for ongoing operation.

In addition to the purchases or leases described above, you must obtain and maintain, at your own expense, the insurance coverage that we periodically require. We may regulate the types, amounts, terms and conditions of insurance coverage required for your Franchised Business and standards for underwriters of policies providing required insurance coverage; our protection and rights under the policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims.

You must obtain the following insurance coverages:

General Liability: General Liability Insurance with minimums of \$1,000,000 per occurrence, \$2,000,000 general and products/completed operations aggregate and \$1,000,000 personal/advertising injury. The policy must include additional insured, waiver of subrogation, primary and noncontributory provisions, contractual and independent contractors liability, and be occurrence-based. It must be provided by an A- VII or higher AM Best-rated admitted carrier. Stop-gap coverage is required for applicable monopolistic states.

Franchisee Commercial Auto: Commercial Auto Insurance with a \$1,000,000 combined single limit, covering uninsured/underinsured motorists, owned, hired, and non-owned autos. Policies must include additional insured, waiver of subrogation, and primary/non-contributory provisions, provided by an A- VII or higher AM Best-rated carrier.

Workers Compensation: Workers' Compensation Insurance with coverage limits of \$1,000,000 for bodily injury by disease per accident, \$1,000,000 policy limit, and \$1,000,000 per employee. The policy must be in place regardless of state laws and cannot exclude owner-operators. It must also include uninsured independent

Obligation	Section or Article in Franchise Agreement	Item in Franchise Disclosure Document
y. Guaranty	Not Applicable	15

ITEM 10: FINANCING

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

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

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

1. Pre-Opening Obligations

Before you open your Franchised Business, we will:

- a. designate the boundaries of your territory (Franchise Agreement, Section 8.1).
- b. provide you with site selection guidelines and approve a location for your Franchised Business. No later than one (1) month prior to training, you must submit a written request for approval to us describing the proposed location and providing other information about the site that we reasonably request. We will respond within fifteen (15) business days, either accepting or rejecting the proposed location. We consider the following factors in approving a site: general location and neighborhood, proximity to major roads and residential areas, access to storage for service vehicle, access to sufficient water supply for service vehicle, traffic patterns, condition of premises, tenant mix, and demographic characteristics of the area. If you do not identify a site that meets our approval no later than one (1) month prior to training, we reserve the right to terminate the Franchise Agreement. We will not own and/or lease a site to you. You are responsible for negotiating a purchase or lease with the owner of a site we approve. (Franchise Agreement, Sections 8.1.2, 8.1.3,10.1).
- c. provide the Rolling Suds Manual and other manuals and training aids we designate for use in the operation of your Rolling Suds outlet, as they may be revised from time to time (Franchise Agreement, Section 10.2).
- d. provide a written list of equipment, signage, supplies and products that will be required to open the Franchised Business from the initial equipment package upon payment of initial franchise fee. (Franchise Agreement, Section 10.3).
- e. provide you with initial training at our headquarters in ~~Philadelphia, Pennsylvania area~~ Nashville, Tennessee. We will determine, in our sole discretion, whether you satisfactorily complete the initial training (Franchise Agreement, Section 7.1).
- f. provide you with samples or digital artwork of advertising and promotional materials for your initial marketing activities (Franchise Agreement, Section 10.4).

2. Time to Open

We estimate the typical length of time between the signing of the Franchise Agreement and the time you open your Franchised Business is sixty to one hundred twenty (60-120) days. We reserve the right to extend the timeline to open out on a case by case basis and depending on the right time for you to launch your business.

- i. approve your office location, if you choose to relocate to commercial premises, which approval is in our sole discretion (Franchise Agreement, Section 10.1).

4. Advertising

Local Advertising (Franchise Agreement, Sections 13.2, 13.5 and 13.6)

~~You are to pay to Franchisor~~ must spend the greater of \$2,500 per truck per month in operation or four percent (4%) of monthly Gross Revenue for local advertising to promote your Franchised Business ~~with our approved vendors.~~ We may increase your minimum local advertising expenditure, in our reasonable discretion. ~~These funds will be used to pay for lead generation, print materials, newspaper and magazine article, and other means at our sole discretion. In addition to the ad spend with marketing suppliers, a portion of the local advertising budget will be used to support the infrastructure for the Rolling Suds Leads Center, which will centralize local marketing efforts and manage supplier relationships.~~ We do not guaranty that local marketing will generate a specific number of leads in your territory. -We reserve the right to collect some or all of your Local Advertising expenditure and implement Local Advertising on your behalf.

In addition to the local advertising requirement above, you must spend at least One Thousand Five Hundred Dollars (\$1,500) per month on initial local advertising and promotional activities for nine months (for a total of \$13,500) surrounding the opening of your Franchised Business with our approved vendors in the time and manner set for the in the Operations Manual.

You may develop advertising materials for your own use at your own cost, and you may use marketing materials that we may offer to you from time to time. You may not use any advertising or marketing materials, including press releases, unless they have been approved in advance in writing by us, which approval may be withheld in our discretion. We will respond to your request for approval within fifteen (15) business days; however, if we do not respond within fifteen (15) business days, the proposed advertising or marketing material is deemed “disapproved”.

You must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. If feasible, you may do cooperative advertising with other Rolling Suds franchisees in your area, with our prior written approval. You may maintain business profiles on Facebook, Twitter, LinkedIn, YouTube, or any other social media and/or networking site provided all posts are in strict compliance with brand guidelines provided by us.

System-wide Brand Fund (Franchise Agreement, Section 13.3)

You are required to contribute to the Brand Development Fund two percent (2%) of Gross Revenue generated from the operation of the Franchised Business per month.

The Brand Development Fund is administered by our accounting and marketing personnel. We may use Brand Development Fund contributions to pay any and all costs for the development, production and placement of advertising, marketing, promotional and public relations materials, and programs. We may also use Brand Development Fund contributions to pay any and all costs of marketing seminars and training programs, market research, services of advertising and/or public relations agencies, and website development and maintenance. We may further use Brand Development Fund contributions to pay our costs (including personnel and other administrative costs) for advertising that is administered by us or prepared by us, as well as for administration and direction of the Brand Development Fund.

The Brand Development Fund will not be used to defray any of our other general operating expenses. Brand Development Fund contributions will not be used to solicit new franchise sales; provided however, we reserve the right to include “Franchises Available” or similar language and contact information in advertising produced with Brand Development Fund contributions.

operate other kinds of businesses within the Protected Area. Although we do not currently do so and have no plans to do so, we and our affiliates may own, acquire, conduct, or authorize others to conduct, any form of business at any location selling any type of product or service not offered under the Marks, including a product or service similar to those you will sell at your Franchised Business. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We also reserve the right to solicit, sell to, negotiate rates with, and service real estate developers that conduct business across multiple areas or have multiple locations either regionally or nationally, such as brokerage firms, builders, property management companies, or residential developers (“National Accounts Program Per-Job”). We may offer you the first right to service National Accounts Program Per-Job in your Protected Area, provided that you accept the negotiated terms.


We reserve the rights to offer (i) other services and products not offered under the Marks, (ii) other residential and commercial power washing concepts or products under the Marks or other trademarks, and (iii) products or services through other channels of distribution in the Protected Area including, but not limited to, co-branding with other residential or commercial power washing businesses, and products offered through retail stores, the Internet or direct marketing (“Alternate Channels of Distribution”). You will receive no compensation for our sales through Alternative Distribution Channels in the Market Area.

You may not use Alternative Distribution Channels to make sales inside or outside your Protected Area; however, we will include a listing on our website of your Rolling Suds Franchised Business contact information.

You may only solicit sales from customers in your Protected Area. Your local advertising must target customers in your Protected Area, although the reach of your local advertising may extend beyond your Protected Area.

ITEM 13: TRADEMARKS

RSIP Holdings, LLC (“Licensor”) is the owner of the Marks and has granted us the exclusive right to use the Marks and license to others the right to use the Marks in the operation of a Rolling Suds outlet in accordance with the System. The Franchise Agreement will license to you the right to operate your Franchised Business under the Rolling Suds Marks, as described below (the “Principal Marks”).

Mark	Serial Number	Filing Date	Register
	<u>97349199</u>	<u>April 06, 2022</u>	<u>Principal</u>

For the above mark only, we do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Mark	Registration Number	Registration Date	Register
Rolling Suds	7090550	June 27, 2023	Principal

Licensor has filed all required affidavits.

You must notify us immediately when you learn about an infringement of or challenge to your use of the Principal Marks or other Marks. Licensor and we will take any action we think appropriate and, if you have

ITEM 18: PUBLIC FIGURES

We do not currently use any public figure to promote our franchise. No public figure is currently involved in our management.

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.

This Item contains a historic financial performance representation about our existing affiliate-owned outlets in 2023. As of December 31, 2023, we had 7 total franchised outlets in operation and one affiliate owned outlet in operation. 7 franchised outlets were excluded because they were new to the systems and were not open for a full year.

As of December 31, 2023, there is one (1) Rolling Suds outlets open and operating that are owned by our affiliate. This outlet is representative and is included in this disclosure. This outlet is located in Pennsylvania. This affiliate outlet has been in operation since 1990 and across a wide territory. For fiscal years 2019-2022 the affiliate outlet operated 5 trucks on a full time basis with 1-2 additional trucks supplementing the fleet as needed during peak periods. In fiscal year 2023, the affiliate owned outlet operated 4 trucks on a full-time basis with 1-24 additional trucks supplementing the fleet as needed during peak periods. — In 2023, one full time trucks averaged \$2,063 per working day and operated 205 days per year. The supplemental 1-4 trucks operated on an as needed basis during peak periods and generated \$316,670 in Gross Revenue in fiscal year 2023.

~~The reasonable basis for inclusion of this~~ This Financial Performance Representation is that this affiliate owned outlet is similar to the Franchise being offered under this Disclosure Document in terms of operations and services offered. The operational characteristics that make this affiliate owned outlets different is that it operates with out any territorial restrictions, other than not encroaching on franchisee territories, and does not pay any Royalty Fees or Brand Fund Contributions to us, or expend any minimum amount on local advertising.

This Item 19 sets forth certain historical gross revenue, expenses, and payroll information per truck for the affiliate owned outlet for 2019-2023. The gross revenue information and expense information set forth in this Item 19 is derived from the affiliate owned outlet accounting software.

Average EBIDTA Per Full Time Truck 2019 - 2023

	2023	2022	2021	2020	2019
Gross Revenue	\$422,915.00*	\$373,305.00	\$368,180.00	\$343,375.00	\$348,295.00
Expenses ¹					
Bank Service Charge	\$19.59	-	\$37.00	\$143.38	\$105.96
Credit Card Fees	\$2,267.72	\$2,444.00	\$1,800.00	\$2,631.29	\$385.02
Damage Claims	\$1,091.86	\$2,000.00	\$1,750.00	\$1,836.00	\$1,806.39
Equipment Rental	\$1,497.58	\$1,571.00	\$2,035.77	\$2,598.75	\$891.19
Fuel and Oil	\$17,671.07	\$14,540.00	\$13,184.04	\$8,999.64	\$13,592.27

truck repairs and maintenance of equipment has been excluded as the affiliate owned outlet's fleet and equipment is older than what a Franchisee will be operating.

2. The Royalty Fee of 8% was not incurred by our affiliate location. It is included here for informational purposes only.

3. The Brand Fund Contribution of 2% was not incurred by our affiliate location. It is included here for informational purposes only.

4. Other Franchisee Related Expenses includes: Technology Fee, Business Phone Fee, and Bookkeeping Services Fee ("Other Franchisee Related Expenses"). These costs are estimated based on the currently charged monthly fee multiplied by twelve to represent a year of Franchisee related expenses not incurred by our affiliate location. Other Franchisee Related Expenses is not intended to be inclusive of all other costs or fees a franchisee may incur.

5. Total Expenses here includes the amounts listed for Royalty Fee, Brand Fund Contribution, and Other Franchisee Related Expenses that were not incurred by our affiliate location.

6. The EBITDA here includes Royalty Fee, Brand Fund Contribution, and Other Franchisee Related Expenses. The Royalty Fee, Brand Fund Contribution, and Other Franchisee Related Expenses were not incurred by our affiliate location.

7. The EBITDA % here includes Royalty Fee, Brand Fund Contribution, and Other Franchisee Related Expenses. The Royalty Fee, Brand Fund Contribution, and Other Franchisee Related Expenses were not incurred by our affiliate location.

8. This figure ~~omits~~ does not omit the accounts receivable for fiscal year 2023 which amounts to \$146,741.58.

~~9. These results are unaudited.~~

~~10.~~

9. These results represent sales of products and services which will be available for franchisees to sell.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.

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

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 ~~Brian Wendling Sr.~~ Aaron Harper, 262 Titus Avenue Warrington, Pennsylvania 18976, (215) 355 – 1631, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Years 2021 to 2023

Column 1	Column 2	Column 3	Column 4	Column 5
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ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF CALIFORNIA

The Department of Financial Protection and Innovation for the State of California requires that certain provisions contained in franchise documents be amended to be consistent with California Franchise Investment Law, Cal. Corp. Code Section 31000 et seq., and of the Rules and Regulations promulgated thereunder. To the extent that this Disclosure Document contains provisions that are inconsistent with the following, such provisions are hereby amended.

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 THE DISCLOSURE DOCUMENT 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.~~

2. ~~OUR WEBSITE www.rollingsudsfranchise.com HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.~~

3. ~~Item 3 is amended to add:~~

~~Neither Franchisor 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. 8.78(a) et seq. suspending or expelling such persons from membership in such association or exchange.~~

4. ~~Item 17 is amended to state:~~

~~(a) 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.).~~

~~(b) 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.~~

~~(c) The franchise agreement contains a liquidated damages clause. Under California Civil Code section 1671, certain liquidated damages clauses are unenforceable.~~

~~(d) The Franchise Agreement requires application of the laws of Pennsylvania. This provision may not be enforceable under California law.~~

5. ~~The highest interest rate allowed by law in California is 10% annually.~~

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

7. ~~California law requires that you obtain a contractor's license of the California Contractors State License Board (CSLB) if the total cost (labor and materials) of one or more contracts on the project is \$500 or more. Licenses may be issued to individuals, partnerships, corporations, or joint ventures. The CSLB does not issue licenses to Limited Liability Companies (LLCs).~~

8. ~~No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.~~

9. ~~**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.**~~

ADDENDUM REQUIRED BY THE STATE OF CONNECTICUT

~~DISCLOSURE REQUIRED BY CONNECTICUT LAW: The State of Connecticut does not approve, recommend, endorse, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.~~

- ~~1. Pursuant to Section 36b-63(c)(23) If the seller fails to deliver the products, equipment or suppliers or fails to render the services necessary to begin substantial operation of the business within forty five days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.~~
- ~~2. Pursuant to Section 36b-63(c)(21) Caution: Some business opportunities have (sold) (earned) this amount. There is no assurance you will do as well. If you rely upon our figures, you must accept the risk of not doing as well.~~
- ~~3. Pursuant to Section 36b-63(b)(20) Caution: These figures are only estimates of what we think you may earn. There is no assurance you will do as well. If you rely upon our figures, you must accept the risk of not doing as well.~~

~~The parties hereto have duly executed, sealed, and delivered this Addendum dated this day of _____~~

FRANCHISEE: _____ FRANCHISOR: _____
_____ Rolling Suds Franchising LLC

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

PRINCIPALS:

Name: _____

Name: _____

PRINCIPALS:

Name: _____

Name: _____

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT**

Illinois law shall apply to and govern the Franchise Agreement.

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.

Franchisee's right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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 is void.

No statement, questionnaire, or ~~acknowledgement~~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~~franchisor~~. This provision supersedes any other term of any document executed in connection with the franchise.

**AMENDMENT TO THE ROLLING SUDS FRANCHISING LLC FRANCHISE
AGREEMENT REQUIRED BY THE STATE OF ILLINOIS**

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS §§ 705/1 et seq. (1987) (the “Act”), which govern the attached Board and Brush Creative Studio Franchise Agreement (the “Franchise Agreement”), the parties thereto agree as follows:

1. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

“Section 4 of the Act provides that no franchisee shall be required to litigate any cause of action, with the exception of arbitration proceedings, arising under the Franchise Agreement or the Act outside of the State of Illinois.”

2. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

“Illinois law governs the terms of this Franchise Agreement.”

3. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

“Section 41 of the Act provides that any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Act, or any other Illinois law is void. The foregoing requirement, however, shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, and shall not prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.”

4. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

“To the extent any provision regarding termination or renewal of the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act §§ 815 ILCS §§ 705/19 and 705/20, the provisions of these sections of the Act will control.”

5. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment.

6. No statement, questionnaire, or ~~acknowledgement~~ 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.

8. In the State of North Dakota, we will defer the payment of the initial franchise fee, development fee, and any other initial payment until all initial obligations owed to the franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business

The parties hereto have duly executed this North Dakota Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

FRANCHISOR:
Rolling Suds Franchising LLC

By: _____

(Print Name, Title)

FRANCHISEE:

By: _____

(Print Name, Title)

PRINCIPAL:

(Print Name)

**VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT**

The

~~The following statements are added to Item 17.h.~~
amendments to the Disclosure Document included in this addendum have been agreed to by the parties.

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.

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.