

FRANCHISE DISCLOSURE DOCUMENT

RENOVATION SELLS FRANCHISING, LLC
Illinois limited liability company
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Chicago, Illinois 60614
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www.renovationsells.com



www.renovationsells.com



The franchisee will operate a residential real estate renovation and remodeling business to help individuals sell their home under the “Renovation Sells” trademarks.

The total investment necessary to begin operation of a Renovation Sells franchised business is \$79,005 - \$171,484 This includes \$55,500 - \$130,500 that must be paid to the franchisor or its affiliates.

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 ~~28, 2023~~30, 2024

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Renovation Sells business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be Renovation Sells franchisee?	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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What You Need To Know About Franchising Generally

What You Need To Know About Franchising Generally

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

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 mediation and litigation only in Illinois. Out-of-state 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 Illinois than in your own state.
2. **Spouse Liability.** Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both your and your spouse's personal and marital assets, perhaps including your house, at risk if your franchise fails.
3. ~~**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.~~
4. **Minimum Performance Requirements.** 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.

RENOVATION SELLS FRANCHISING, LLC
Franchise Disclosure Document

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LIST OF EXHIBITS

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process

EXHIBIT B: Franchise Agreement

- Attachment 1: ~~Franchisee Acknowledgment Statement~~ Trademarks
- Attachment 2: Trademarks
- ~~Attachment 3: Territory Description~~
- ~~Attachment 3: ACH Authorization~~
- Attachment 4: ~~General Release~~ Conditional Assignment of Lease
- Attachment 5: Statement of Ownership Interests in Franchisee/Entity
- ~~Attachment 6: Spousal Guaranty~~
- Attachment 7: Internet Advertising, Social Media, Software, and Telephone Listing Agreement
- ~~Attachment 8: Confidentiality and Non-Compete Agreement~~

EXHIBIT C: Financial Statements of Renovation Sells Franchising, LLC

EXHIBIT D: Operations Manual Table of Contents

EXHIBIT E: Outlets as of the date of this Disclosure Document

EXHIBIT F: ~~Franchisee Acknowledgment Statement~~ General Release

EXHIBIT G: Franchisee Acknowledgment Statement

EXHIBIT H: State Addenda

EXHIBIT H: Receipt

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

To simplify the language in this disclosure document, the terms “Franchisor”, or “we” or “us” means Renovation Sells Franchising, LLC, the Franchisor. The terms “we”, “us” and “Franchisor” do not include you, the “Franchisee”. We refer to the purchaser(s) of a Renovation Sells franchise, as “you” or “Franchisee”, whether an individual, a partnership, corporation, or limited liability company. If you are a corporation, partnership or other entity, our Franchise Agreement also will apply to your owners, officers and directors. If you are married and your spouse is not a partner in the franchise business, certain provisions of our Franchise Agreement will also apply to that spouse.

We were formed as a limited liability company in the State of Illinois on June 19, 2020. Our principal business address is 2370 N. Elston Avenue, Chicago, Illinois, 60614, and our telephone number is 773-217-0581. We do business under our company name, “Renovation Sells” and its associated design (the “Marks”). We do not own or operate any businesses of the type you will be operating. We have not offered franchises in any other line of business. We only offer franchises which operate under the “ Renovation Sells” Marks. We began offering franchises on July 15, 2020.

The principal business addresses of our agents for service of process are shown on Exhibit A.

Our Parents, Predecessors and Affiliates

We have no predecessor company.

We have a parent company, Renovation Sells Holdings, LLC, an Illinois limited liability company with a principal place of business at 2370 N. Elston Avenue, Chicago, Illinois 60614. Renovation Sells Holding, LLC, was formed on June 19, 2020 and is our owner. Renovation Sells Holding, LLC, has not offered franchises in this or in any other lines of business previously.

We have an affiliated company, Renovation Sells, LLC, an Illinois limited liability company with a principal place of business at ~~411 W. 2370 Elston~~ Washington, Suite 900, Chicago, ~~Illinois, 60604~~ IL 60614. Renovation Sells, LLC, was formed on January 22, 2018, and is a similar business to the franchise business. Renovation Sells, LLC, has not offered franchises in this or in any other lines of business previously.

We have a second affiliated company, Renovation Sells, IP, LLC, an Illinois limited liability company with a principal place of business at 2370 N Elston Avenue, Chicago, Illinois 60614. Renovation Sells IP, LLC was formed on July 9, 2020 and is the owner of our marks. Renovation Sells IP, LLC has exclusively licensed use of the Marks to us. Renovation Sells IP, LLC, has not offered franchises in this or any other lines of business previously.

We have a third affiliated company, MV Construction, LLC, an Illinois limited liability company with a principal place of business at 1038 Forest Avenue, River Forest, Illinois 60305. MV Construction, LLC, has operated a general contracting business that focused

on remodeling and renovation (not directed at homes that are for sale) in River Forest, Illinois, and the surrounding counties, and has not offered franchises in this or in any other lines of business previously.

We may operate other Renovation Sells concepts, including additional Renovation Sells businesses similar to the business offered by this Disclosure Document, in the future.

The Franchise Offered:

We offer franchises for the right to operate a business specializing in residential renovation and remodeling services business aimed to help facilitating home sales and enhancing the living spaces for home buyers and individuals selecting to remain in their homes under the "Renovation Sells" Marks and using (registered with the USPTO, Principal Register No. 6,232,000), our distinctive proprietary operating procedures and adhere to our rigorous standards in within a designated area specified territory (the "Franchised Business"). -The Franchised Business will provide home owners with on-trend offers homeowners and buyers custom design, materials, and construction services with an emphasis on design that delivers the look that makes the best first impression with buyers, both online and in person, to help sell the customer's home, all curated to enhance a home's appeal. The distinguishing characteristics of the Franchised Business include, but are not limited to, our distinctive and uniform trade dress standards, design services, operations procedures, service methods, and methods for management, training, and marketing, all of which may be changed, improved or further developed by us at any time (the "System"). We offer a maximum of 5 territories that pay be purchased under the franchise agreement.

Market and Competition:

The market for your Franchised Business exists/encompasses a broad range of clients, including residential sellers, residential buyers, homeowners opting to stay in their properties, and organizations such as senior moving companies, title companies, mortgage brokers, insurers, real estate brokerages or, and lenders. The market for Additionally, our services appeal to various other lead sources. This market is not seasonal/confined to particular seasons but does have experience peak periods. The market may times of activity. It's also be affected by subject to fluctuations based on economic conditions and the amount/volume of real estate sales activity in transactions within your designated territory/area.

The residential renovation and remodeling business is established. You will compete with residential real estate contractors, renovators, and house flippers, including national, regional and local companies, offering services similar to those offered by your Franchised Business. There are other residential real estate renovation and remodeling franchises, as well as independent businesses and individual providers that may offer similar services and products.

Industry Specific Regulations:

You do not have to have any specific licenses but must have ability to manage projects and have knowledge of small-scale home renovation such as a general contractor, real estate agent, designer, or home staging expert. Where necessary you will be responsible

for ensuring that all subcontractors are properly licensed in the municipality where they are working.

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.

You must comply with all local, state and federal laws and regulations that apply to the operation of your Franchised Business, including, among others, business operations, insurance, discrimination, and employment laws. Your advertising of the Franchised Business is regulated by the Federal Trade Commission. 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 Renovation Sells franchise.

ITEM 2: BUSINESS EXPERIENCE

Chief Executive Officer: Michael Valente

Michael Valente is our co-founder as well as the Chief Executive Officer. Michael has also been the managing Partner of the Renovation Sells, LLC concept since January of 2018, and since then has worked exclusively developing and growing the brand. Since September of 2012, Michael has been the owner of MV Construction LLC in Chicago, IL.

Chief ~~Marketing~~Operating Officer: Amanda Valente

Amanda Valente is our co-founder and Chief Marketing Officer. Amanda has been the Vice President of Marketing and Business Operations for our affiliate, Renovation Sells LLC, since January 2018. Since February of 2017, Amanda has been the Vice President of Marketing for our affiliate MV Construction LLC in Chicago, IL. She also worked as the National Practice Group Manager for the law firm of Seyfarth Shaw, LLP from May of 2015 through January of 2017 in Chicago, IL, and worked in Marketing and Business Development for the law firm of Mayor Brown LLP from August of 2013 through April of 2015 in Chicago, IL.

~~Executive Vice-President~~: Lisa Carrel

Lisa Carrel is our Executive Vice-President and Partner at Renovation Sells. Lisa has been in her role since May of 2022. Before joining Renovation Sells Lisa served as the founder and CEO of Proxfinity from 2016 to May of 2022 in Chicago, IL.

~~Director~~Chief of Construction: John Bura

John Bura is our co-founder and Director of Construction and has held this position for Renovation Sells, LLC since 2018. John was the Director of Construction for our affiliate

MV Construction, LLC from 2014 through 2018 in Chicago, IL. He has also been the Owner of American Custom Homes in Chicago, IL since 2010.

Chief of Design Officer: Briana Rauen

Briana Rauen is our co-owner and Chief Design Officer. Briana has been an Interior Designer for Renovation Sells, LLC since January 2018. Briana was a Freelance Interior Designer for MV Construction, LLC from June 2014 through December 2017 in Chicago, IL. She also worked as the Sales Director for the luxury outdoor furniture manufacturer, McKinnon and Harris, headquartered in Richmond, VA. Briana worked remotely from Chicago, Illinois handling Midwest and Canadian sales.

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 amount of the Initial Franchise Fee will depend on the number of territories you purchase and is calculated as follows:

One Territory	Two Territories	Three Territories
\$50,000	\$90,000	\$120,000

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. If you purchase additional territories after signing your first franchise agreement, the Initial Franchise Fee will be \$50,000 per territory.

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 ~~510%~~ 5% discount on the initial franchise fee to first responders and veterans of the U.S. armed forces who have been honorably discharged from the military, veterans and their spouses, and who otherwise meet our requirements.

You must pay us an initial training fee of Five Thousand Five Hundred Dollars (\$5,500.00) when you sign the Franchise Agreement for up to two people to attend initial training. You are required to bring an additional person to initial training for each territory over three that you purchase. The fee is an additional Two Thousand Five Dollars (\$2,500.00) for each

additional person over two people to attend. The Initial Training Fee is fully earned by us upon payment and is non-refundable to you.

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ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	7% of Gross Revenues	Bi-weekly via ACH on Tuesday for the sales for the prior two weeks.	Payable to us. See footnote 1.
Brand Development Fund Contribution	1% of Gross Revenues, subject to increase up to 2% of Gross Revenues	Bi-weekly via ACH on Tuesday for the sales for the prior two weeks.	Payable directly to the Brand Development Fund. See footnote 3.
<u>Minimum Performance Requirement</u>	<p><u>First 6 months no royalty fee will be assessed.</u></p> <p><u>\$50,000 of Gross Revenue in signed contracts every six months, or equivalently, \$100,000 over the course of each year.</u></p>		<p><u>First 6 months no royalties will be assessed. You must collect a minimum of \$50,000 of gross revenue in signed contracts every six months, or equivalently, \$100,000 gross revenue over the course of each year. If you fall below these thresholds, then you will be obligated to pay an adjustment fee equal to the difference between your royalties paid throughout the calendar year.</u></p>

Type of Fee	Amount	Due Date	Remarks
Required Minimum Expenditure for Local Marketing and Advertising	We require a minimum marketing expenditure of \$2,000 per month for the first year for your first territory. Beginning in month 13, you must spend an additional \$1,000 per month per additional territory. By way of example only, if you purchase 2 territories, the total monthly marketing investment beginning in month 13 would be \$3,000 per month.	Monthly, as incurred.	Payable to third-party suppliers. All advertising must be approved by us. See Item 11. See footnote 2.
Advertising Cooperative	Currently \$0. Fees for the cooperative will not exceed one-half of the Local Advertising requirement or your pro-rata share of actual cooperative advertising costs, whichever is greater.	As determined by cooperative.	No cooperatives have been established as of the date of this Disclosure Document. You are required to join an advertising cooperative if one is formed. Cooperatives will be comprised of all franchised Renovation Sells outlets in a designated geographic area, or we may establish a national cooperative comprised of all franchised Renovation Sells outlets. Our affiliate-owned outlets may participate in an advertising cooperative, in our sole discretion. See footnote 4.
Internal Systems Technology Fee	\$125 \$150 per month	Bi-weekly Monthly via ACH on the first Tuesday of each month.	The Internal Systems Technology Fee is payable to us. See footnote 5.
<u>Renovation Sells Construction Training Program</u>	<u>Currently \$450 for the first month, \$150 for each additional 2 months</u>	<u>As incurred</u>	<u>In addition to initial training, developed with a third party supplier it is a virtual training program tailored specifically for Renovation Sells franchisees.</u>

Type of Fee	Amount	Due Date	Remarks
Late Charge	\$75	As incurred	If you fail to pay us the Royalty Fee, Brand Development Fund Fee, or if you fail to submit your Gross Revenue report when due, we may charge you \$75 for each late submission in addition to interest charges explained below.
Interest Charge	1.5% per month from due date or maximum allowed by law, whichever is lower	As incurred	If you fail to pay us any amount when due, we may charge you interest on the unpaid balance until the payment is received.
Non-sufficient Funds Fee	\$50 per violation	As incurred	If your check is returned or an electronic funds transfer from your bank account is denied for insufficient funds, for each occurrence we may charge you a Non-sufficient Funds Fee.
Successor Agreement Fee	\$5,000 per Territory	Before signing successor agreement	Payable to us. See Item 17.
Relocation Fee	Actual costs and expenses	As Incurred	See Footnote 6.
Transfer Fee	\$5,000 per Territory For transfer to: (i) owner(s) of the franchisee entity that does not change management control, there is no transfer fee and (ii) a spouse, parent or child upon death or permanent disability, no transfer fee is applicable	Upon approval of the transfer	Payable to us. See Item 17
Interim Management Fee	Our then-current fee, which is currently 20% of	As incurred.	We may impose this fee (in addition to all regularly occurring fees such as the

Type of Fee	Amount	Due Date	Remarks
	Gross Sales, during the term of interim management, plus all travel related and other expenses.		Royalty Fee and Brand Development Fund Contributions), payable to us, if we provide interim management of your Franchised Business due to lack of manager, default, death or disability.
Initial Training	The fee for additional trainees, who attend the same training session as you, is \$2,500 per person. You pay all travel and other related expenses incurred by all trainees.	Prior to training attendance. Travel and related expenses are due as incurred.	Initial training takes place in Greater Chicagoland Area, Illinois. You must also pay the incidental costs of attendance, which include but are not limited to, airfare, transportation, hotel and food costs. Incidental costs are payable to third-party suppliers. Fees for additional trainees are payable to us.
Additional Training	Currently \$500 per person per week plus expenses incurred. You pay all travel and other related expenses incurred by you and your personnel to attend training.	As incurred.	See footnote 7.
Remedial Training Fee	Our then-current trainer per diem rate plus expenses. Our current per diem rate is \$300 per day, plus travel and other expenses.	As incurred.	We may impose this fee, payable to us, if you request additional training in your territory from time-to-time, or if you are operating below our standards and we require you to have additional training. You must also pay all costs of our trainer, which include but are not limited to, airfare, transportation, hotel and meals.

Type of Fee	Amount	Due Date	Remarks
Examination of Books and Records	Cost of examination plus related expenses.	As incurred.	We have the right under the Franchise Agreement to examine your books, records and tax returns. If an examination reveals that you have understated any Gross Revenue report 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.
Evaluation Fee	Costs and expenses.	As incurred.	Payable to us. See footnote 8.
Inspection Reimbursement	Actual Cost	As incurred.	You must reimburse us for our inspection costs if our inspection finds that you are using a product or service that does not conform to our system standards.
Customer Dispute Resolution Fee	Amount we refund to a customer on your behalf.	As incurred	You must pay us this fee if we refund any amounts to your customer.
Confidential Operating Manual Replacement Fee	\$100, or our then-current fee	As incurred	Paid to us
Quality Review Services	Varies Currently \$0	As incurred	Payable to third-party providers. See footnote 9.
Indemnification	Amount of loss or damages plus costs	As incurred.	See footnote 10.

Type of Fee	Amount	Due Date	Remarks
Damages, Costs and Expenses for Non-compliance	Actual damages, costs and expenses	As incurred.	See footnote 11.
Insurance Reimbursement	Amount paid by us for your insurance obligations, plus a ten percent (10%) administrative fee and other actual expenses	As incurred.	You must reimburse us for any insurance costs and other fees we incur due to your failure to meet the insurance obligations required by the Franchise Agreement.
Taxes	Amount of taxes	When incurred.	You must reimburse us for any taxes that we must pay to any taxing authority on account of either the operation of your Franchised Business or payments that you make to us, including, but not limited to any sales taxes or income taxes imposed by any authority.
Commercial Accounts Fee	Up to 2% of Gross Revenues derived from services rendered to Commercial Accounts. Currently 1%	Bi-weekly via ACH on Tuesday for the sales for the prior two weeks.	Paid to us.

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 "Gross Revenue" includes all revenues and income from any source derived, invoiced or received, by you from, through, by or on account of the operation of the Franchised Business whether invoiced only or received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise. It does not include (i) 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. vouchers). At our request, you must execute documents that allow us to automatically take the Royalty Fee from business bank accounts via electronic funds transfers. Interest and late fees will apply to any late payments or electronic funds transfer requests denied due to insufficient funds. If you do not report revenues for the month, then we will collect 120% of the last Continuing Royalty Fee collected and reconcile amounts when you next report revenue.

² Upon our request, you must furnish us with a monthly report and documentation of local advertising expenditures during the previous calendar month.

³ We may increase the Brand Development Fund contribution at any time in our sole, reasonable discretion.

⁴ As of the date of this Disclosure Document, no Advertising Cooperative has been established. In the event an Advertising Cooperative is established, all franchisee and affiliated-owned outlets will receive one vote. Fees for the cooperative will not exceed one-half of the Local Advertising requirement or the pro-rata share of actual cooperative advertising costs, whichever is greater.

⁵ This fee is for services including, but not limited to, web hosting, assigned phone numbers and email addresses, franchise portal, benchmarking platform, or other operations or communications systems. We may increase the fee based on supplier pricing increases, introduction of new technology, and/or changes in vendors.

⁶ Any relocation must be approved by us. Except in the case of emergency, the new premises must be occupied and open prior to vacating the old location.

⁷ We may offer mandatory and/or optional additional training programs from time to time. If we require it, you must participate in additional training, including attendance at a national business meeting or annual convention, for up to five (5) days per year, at a location we designate. We reserve the right to impose a reasonable fee for all additional training programs, including the national business meeting or annual convention. You are responsible for any and all incidental expenses incurred by you and your personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages.

⁸ If you wish to purchase, lease or use any, equipment, supplies, services or other items unapproved or from an unapproved supplier, you must request our prior written approval. As a condition to our approval, we may require inspection of the proposed supplier's facilities and evaluation and testing of the proposed item or service.

⁹ We may establish quality assurance programs conducted by third-party providers, such as, by way of example only, customer satisfaction surveys and periodic quality audits, to monitor the operations of your Franchised Business. If we require it, you must subscribe and pay the fees for any such program.

¹⁰ You must indemnify and hold us, our parent and affiliates, and all of our respective officers, directors, agents and employees harmless from and against any and all claims, losses, costs, expenses, liability and damages arising directly or indirectly from, as a result of, or in connection with your business operations under the Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.

¹¹ If you breach the Franchise Agreement, you must reimburse us any costs we incur to cure your default. You must also pay us all damages, costs and expenses, including reasonable attorneys' fees, we incur in obtaining any remedy, injunctive or other relief to enforce the provisions of the Franchise Agreement.

ITEM 7: ESTIMATED INITIAL INVESTMENT

**YOUR ESTIMATED INITIAL INVESTMENT
(Single Unit)**

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee ¹	\$50,000 –\$50,000	Lump sum payment in cash or available funds	Upon signing the Franchise Agreement.	Us
Initial Training Fee ²	\$5,500	Lump sum	Upon signing franchise agreement.	Us
Your Training Expenses ³	\$1,500 - \$3,000	As required for materials, transportation, lodging & meals	As required by suppliers of transportation, lodging & meals.	Suppliers of books and reference materials, transportation, lodging & meals.
Rent Deposits ⁴	\$0 - \$1,500	As incurred	Before opening	Landlord
Utility Deposits ⁵	\$0 - \$500	As incurred	Before opening	Utility providers
Signage ⁶	\$200 - \$500	As incurred	Before opening	Suppliers
Office Furniture, Fixtures, Equipment and Supplies ⁷	\$0- \$350	As required by suppliers	Before opening	Suppliers
Licenses and Permits ⁸	\$550 - \$1,100	As required by government agencies	Before opening, as required by government agencies	Government Agencies
Computer Systems ⁹	\$555 - \$4,034	Lump sum payment in cash or available funds	Before opening	Suppliers
Vehicle ¹⁰	\$0 – \$1,000	As required by vendor, lessor or lender	Before opening	Vendor, Lessor or Lender
Membership/	\$300-	As required by	Before	Trade

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Association Dues ¹¹	\$1,000	trade organization	opening	organization
Professional Fees ¹²	\$3,400-\$6,000	As required by providers	As incurred	Attorney, Accountant, Other Professional Service Providers
Grand Opening Advertising ¹³	\$9,000	As required by supplier	As required by supplier	Suppliers
Insurance ¹⁴	\$3,000 - \$5,000	As required by insurer	Before opening	Insurer
Additional Funds – 3 months ¹⁵	\$5,000 - \$13,000	As incurred	In according with agreed-upon terms	Employees, suppliers, etc.

TOTAL	\$79,005 - \$171,484
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¹ The Initial Franchise Fee will vary depending on the number of territories you purchase. See Item 5 total which will be applies to each additional territory purchased. 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 5% discount on the Initial Franchise Fee to first responders and veterans of the U.S. armed forces who have been honorably discharged from the military and who otherwise meet our requirements.~~

² We will train up to two people as part of your \$5,500 Initial Training Fee. If you choose to bring additional personnel to training, you must pay an additional \$2,500 per person for each trainee who attends. Any additional personnel that attend the initial training program will be required to sign a confidentiality and non-compete agreement.

³ 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. We will cover the costs of some meals on training days. 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 training program is up to eight (8) days. This estimate does not include employee wages.

⁴ This estimate reflects the range of no rent required for a home office, and the high-end estimate of three (3) months' rent deposit required for the rental of a 300 square foot office at \$500 per month, which reflects the first month, last month, and one (1) months' security deposit. Both estimates represent a site in a suburban location.

⁵ Utility providers set the amounts of the utility deposits. A credit check may be required by

the issuing utility company prior to the initiation of services, or a higher deposit required for first time customers. These costs will vary depending on the type of services required for the facility and the municipality or utility provider from which they are being contracted. We have based our estimate on the experiences of our affiliates. If you are opening a home office, the utility deposits should equal \$0. The figures in the chart include deposits that may be refundable to you at a later time. In most cases, your lease will require you to pay electric, gas, water, and other utilities directly; however, some landlords cover some utility charges through operating fees.

⁶ The cost of Signage includes wall signage for the exterior of the building, if applicable, as well as yard signs and interior signage such as logo graphics for windows and interior brand identification such as wall graphics in addition to vehicle signage. The difference between the high and low estimates are due to the size of the vehicle door sign.

⁷ You are permitted to operate from an office in your home. Your home office will require a desk, chair, filing and storage cabinetry and sufficient lighting. You may already have necessary furniture and fixtures, or you may need to purchase items such as a desk, chair and filing cabinetry. The cost of furniture and fixtures will vary depending on your suppliers and design preferences. You will need miscellaneous office supplies and consumables.

⁸ 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.

⁹ We require you to purchase computer systems and software meeting our minimum specifications for use in your Franchised Business. You are required to have a desktop or laptop computer and an all-in-one printer that can operate our required software and applications. You must purchase, install and access to the software we require. This total also includes the software licenses required within our computer systems. You must also have Internet including customer accessible Wi-Fi and other telecommunications equipment and services, including an iPhone 11 or newer, 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. The low end of the estimate in the above Table assumes you have adequate computer hardware and must purchase required software only.

¹⁰ 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 and appearance. 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.

¹¹ You are required to maintain a membership with a relevant trade association within the Territory of the Franchised Business.

¹² 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.

¹³ Your initial campaign will include purchasing printed branded materials to use as sales tools, ~~a custom Renovation Sells Sales Workshop~~, launching an email campaign targeting realtors in your territory, purchasing gifts and food for realtors, and the option to hire a business development representative or host a community event, all through our approved suppliers.

¹⁴ Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. Insurance costs and requirements may vary widely in different localities. The estimate is for 1 year of liability insurance coverage. We reserve the right to require additional types of insurance and coverage as provided in the Franchise Agreement.

¹⁵ This is an estimate of the amount of additional operating capital that you may need to operate your Franchised Business during the first three (3) months after commencing operations. We cannot guarantee that you will not incur additional expenses in starting the business that may exceed this estimate. 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 Renovation Sells outlet to compile these estimates.

You should review these figures carefully with a business advisor before making any decision to invest in the franchise.

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 meet 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.

In addition to approved and/or designated vendors, we are the only approved supplier of design services. The design services required will be covered by the monthly Royalty fee and you will not be charged extra for these services.

Neither us nor our affiliates owns an interest in any other current supplier.

Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. We currently require franchisees to have 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, \$1,000,000 personal/advertising injury, \$50,000 rented premises damage, and \$5,000 medical expenses. The policy must include additional insured, waiver of subrogation, primary and noncontributory provisions, contractual and independent contractor ~~liability~~ liability, and be occurrence-based with per-location aggregate. 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 contractors and a waiver of subrogation. The insurance carrier must be A- VII rated or higher by AM Best to ensure financial stability and reliability.

Property / Business Interruption: Property insurance with coverage for equipment (>\$100,000), trailer (>\$15,000), business interruption (>\$100,000), and franchisor royalties. The insurance carrier must be A- VII rated or higher by AM Best.

Cyber Liability: Cyber Liability Insurance with minimum coverage limits of \$100,000 per occurrence and \$100,000 aggregate.

Insurance coverage of such types, nature, and scope sufficient to satisfy your indemnification obligations under this Agreement. And, any other insurance coverages we may require in the future.

We require you to purchase computer systems and software meeting our minimum specifications for use in your Franchised Business. You are required to have a desktop or laptop computer and an all-in-one printer that can operate our required software and applications. You must purchase, install and access to the software we require. You must also have Internet including customer accessible Wi-Fi and other telecommunications equipment and services, including an iPhone 11 or newer, 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.

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 may charge you an evaluation fee equal to our costs and expenses.

~~Neither we nor any of our affiliates receive any other~~We may derive revenue, rebates, discounts or other material consideration from any suppliers based on your purchase of certain products and services from our designated suppliers. During the fiscal year ending December 31, 2023, we recognized \$16,528.03 in rebate revenue from required purchases of products, supplies or equipment; however, by franchisees that we may do so in the future, and any rebates or discounts we receive offer. This amounts to 0.9% of our total revenue of \$1,672,000. We may be kept by , but are not required to, use these funds to develop and implement marketing and promotional activities designed to benefit the Renovation Sells System. These funds will not reduce the payments you must make to us in our sole discretion. —as fee payments under the Franchise Agreement.

We estimate that your purchase or lease of products, supplies and services from approved suppliers (or those which meet our specifications) will represent approximately between 30% and 33% of your costs to establish your Franchised Business and approximately 10% of your costs for ongoing operation.

Currently, there are no purchasing or distribution cooperatives. However, we can require that you make your purchases through a cooperative if one is formed.

Although we do not do so currently, we may in the future negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of all franchisees.

We provide no material benefits (such as the grant of additional franchises) based on your use of designated sources; however, failure to use approved items or designated suppliers and contractors may be a default under the Franchise Agreement. Additionally, when there is any default under the Franchise Agreement, we reserve the right, in addition to other remedies available under the Franchise Agreement, to direct suppliers to withhold furnishing products and services to you.

ITEM 9: FRANCHISEE'S OBLIGATIONS

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

Obligation	Section or Article in Franchise Agreement	Item in Franchise Disclosure Document
a. Site Selection and Acquisition/Lease	8.1	11, 12
b. Pre-Opening Purchase/Leases	8.2, 12.3.1	7, 11
c. Site Development & other Pre-Opening Requirements	8.1, 8.2, 12.1.1	11
d. Initial and Ongoing Training	Article 7	11
e. Opening	8.2	11
f. Fees	5.2.5, Article 6, 7.4, 7.5, 12.3.7, 12.8, 12.9, 13.2, 13.3.1, 15.6, 16.4, 18.1.4, 18.1.5, 19.1.5 20.8	5, 6, 7
g. Compliance with Standards and Policies/Operating Manual	Article 9, 11.4, Article 12, 19.1.1	8, 11
h. Trademarks and Proprietary Information	9.3, Article 14, 19.2, 19.3, 19.4	13, 14
i. Restrictions on Products/Services Offered	12.8	8
j. Warranty and Customer Service Requirements	12.6	Not Applicable
k. Territorial Development and Sales Quotas	13.2	12
l. Ongoing Product/Service Purchases	Not Applicable	8

Obligation	Section or Article in Franchise Agreement	Item in Franchise Disclosure Document
m. Maintenance, Appearance and Remodeling Requirements	Article 9, 12.1.7, 12.1.9	Item 11
n. Insurance	Article 15	7
o. Advertising	12.1.8, Article 13	6, 11
p. Indemnification	12.4, 12.5, 15.6, 16.3.6, 21.1	14
q. Owner's Participation, Management, Staffing	11.1, 11.3, 12.1.3, 12.1.4	11, 15
r. Records/Reports	12.2	6
s. Inspections and Audits	12.1.5, 12.2.4, 12.9	6, 11
t. Transfer	Article 16	17
u. Renewal	Article 5	17
v. Post-Termination Obligations	Article 18	17
w. Non-Competition Covenants	19.5	17
x. Dispute Resolution	Article 20	17
y. Guaranty (Spouse)	11.3, Attachment 6	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 the Renovation Sells Operations Manual and other manuals and training aids we designate for use in the operation of your Renovation Sells, as they may be revised from time to time (Franchise Agreement, Section 10.2).
- c. provide a written list of equipment, signage, supplies and products that will be required to open the Franchised Business. (Franchise Agreement, Section 10.3).
- d. provide you with initial training at our headquarters in Chicago, Illinois. We will determine, in our sole discretion, whether you satisfactorily complete the initial training (Franchise Agreement, Section 7.1).
- e. provide you with some assistance in establishing prices, such as setting minimum and/or maximum prices.

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 (60) days. Factors that may affect this time period include your ability to acquire license and permits and completion of required training. Other factors include your level of experience in this industry. If you are currently or previously were a contractor, your time to open may be within thirty (30) days. If you are a realtor or broker, have previous design experience, or you are a real estate investor, your time to open will be within sixty (60) days. The maximum time to open is ninety (90) days. If you have not opened your Franchised Business within ninety (90) days after you sign the Franchise Agreement, you must obtain our consent to extend the time to open, which we may or may not grant, at our discretion. Failure to open your Franchised Business within the original time as extended, is a default of the Franchise Agreement. (Franchise Agreement, Sections 8.2).

You must have an office (the "Office") at a location in the territory that meets our specifications. The location of the Office will be specified in the Franchise Agreement. If your Office is a home office, some of our specifications for a home office include having (i) a quiet, designated space in your home for the Office. As long as your Office is a home office, you must continue to satisfy our requirements for a home office which we may change. If we determine that your home office no longer meets our requirements for a home office or that a home office does not (or no longer) meets the needs for the Franchised Business or the Territory, you must obtain an Office at a business location. We do not own or lease a premises to you.

If you choose to not to have a home office and the location of your Office is not known and authorized by us when you sign the Franchise Agreement, you must (i) look for proposed locations for the Office, (ii) obtain our authorization for a location for the Office within sixty (60) days of the effective date of the Franchise Agreement, and (iii) (if applicable) acquire the Office or enter into a lease/sublease for the Office within 60 days of the effective date of the Franchise Agreement. You must provide to us any information we request in considering authorizing the proposed location as the Office. After our approval of a site for your Office, you will not relocate the Office without our prior written consent. The Office must be designed (including the layout and appearance), furnished and equipped in accordance with our specifications and requirements in the Manual.

If we do not approve a certain location for your Office, you must propose a location. If we and you are unable to agree upon a location for your Office and, as a result, you fail to meet your requirement to commence operating in 60 days of the effective date of the Franchise Agreement, we may terminate the Franchise Agreement. While there is no contractual limit on the time it takes us to approve or disapprove your proposed location, once we have all the necessary documentation for review, we typically take 7 days to approve or disapprove the proposed location. We will not review your lease terms. We will not provide any assistance with equipping your business location if not located in a home office outside of the marketing materials provided prior to opening. Signs, fixtures, and opening inventory not related to Renovation Sells marketing products are not supplied or installed by us.

3. Obligations After Opening

During the operation of your franchise, we will:

- a. offer from time to time, in our discretion, mandatory or optional additional training programs. If we require it, you must attend mandatory additional training and/or attend an annual business meeting or franchisee conference for up to five (5) days each year at a location we designate. Failure to attend mandatory additional training or an annual business meeting or conference is a default of the Franchise Agreement. We reserve the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs. (Franchise Agreement, Section 7.3).
- b. upon your request, or as we determine to be appropriate, provide remedial in-territory training and assistance. For any in-territory training, you must reimburse all costs for the services of our trainer, including but not limited to the trainer's then-current per diem fee and all travel-related expenses, such as transportation, meals and lodging (Franchise Agreement, Section 7.4).
- c. upon your request, provide individualized assistance to you within reasonable limits by telephone, video conference, electronic mail or postage service, subject at

all times to availability of our personnel and in reasonable limits (Franchise Agreement, Section 7.5).

- d. from time to time, as may become available, provide you with samples or digital artwork of advertising and promotional materials (Franchise Agreement, Section 10.4).
- e. maintain the Renovation Sells website with a link to your Franchised Business contact information and completed work. (Franchise Agreement, Section 12.3.6).
- f. provide you with any written specifications for required equipment, products and services and provide you with updated lists of any approved suppliers of these items (Franchise Agreement, Section 10.5).
- g. subject to applicable law, recommend minimum and maximum prices for the services and products offered by your Franchised Business. You may provide your Franchised Business services and products at any price that you determine within our parameters. (Franchise Agreement, Section 12.7).
- h. approve or disapprove of all advertising, direct mail, and other promotional material and campaigns you propose in writing to us. We will respond within ten (10) business days, either accepting or rejecting the proposed material and/or campaign; however, if we do not respond within ten (10) business days, the proposed material and/or campaign is deemed "disapproved". (Franchise Agreement, Section 13.6); and
- i. approve your office location, if you choose to relocate to commercial premises, which approval is in our sole discretion. You will commence operations at home. If you wish to move to a commercial location, you can do so with our approval. Factors for approval include the general location, neighborhood and demographic characteristics of the area when approving a site. We will not unreasonably withhold our approval. You must continue operating out of your home office until we approve a commercial office location (Franchise Agreement, Section 10.1).

4. Advertising

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

We require you to spend at least Nine Thousand Dollars (\$9,000) in an initial marketing campaign during the ninety (90) days following the opening of your Franchised Business. Your initial campaign will include purchasing printed branded materials to use as sales tools, ~~a custom Renovation Sells Sales Workshop~~, launching an email campaign targeting realtors in your territory, purchasing gifts and food for realtors, and the option to hire a business development representative or host a community event, all through our approved suppliers.

Your Grand Opening Marketing Plan must be approved by us. Thereafter, you are required to spend a minimum of Two Thousand Dollars (\$2,000.00) per month for one territory and an additional One Thousand Dollars per month (\$1,000.00) per territory beginning in month 13, on local advertising and marketing through our

approved suppliers. We may increase your minimum local advertising expenditure, at our reasonable discretion.

Upon our request, you must furnish us with a monthly report and documentation of local advertising expenditures during the previous calendar month. We reserve the right to collect some or all of your grand opening funds and/or your Local Advertising expenditure and implement grand opening campaign activities and/or Local Advertising on your behalf. Local advertising is used for brand awareness not lead generation. Leads are generated through the relationships you establish with real estate agents in your local market. You will be trained on best practices for meeting, maintaining and selling to real estate agents.

You are required to furnish us with photographs, videos and digital documentation of two (2) or more projects each calendar year. We reserve the right to utilize the photography/videography developed by you for the for marketing efforts, or any other reason we choose.

As part of your initial launch initiatives, we suggest that you join a relevant trade association and look for sponsorship opportunities. These memberships are not included in the minimum advertising spend. 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 at our discretion. We will respond to your request for approval within ten (10) business days; however, if we do not respond within ten (10) business days, the proposed advertising or marketing material is deemed “disapproved”. We do not provide for placement of local advertising on your behalf, and we have no obligation to spend any amount on advertising in your area or territory. You are responsible for local advertising placement. We reserve the right to utilize marketing and photography/videography developed by you for the use of all Franchisees without any payment or other compensation to you.

If feasible, you may do cooperative advertising with other Renovation Sells franchisees in your area, with our prior written approval. You may only maintain a business profile on Instagram (per our guidelines). You may not maintain any business profile on Facebook, Twitter, LinkedIn, YouTube, Pinterest or any other social media and/or networking site without our prior written approval. You may not create a url for the business outside of your webpage.

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

Franchise Agreements will require you and all other franchisees signing a franchise agreement pursuant to this disclosure document to contribute to the Brand Development Fund one percent (1%) of Gross Revenue per week, which may be increased by up to two percent (2%) annually, in our reasonable discretion. Each Renovation Sells outlet operated by our affiliate or us may, but is not required to, contribute to the Brand Development Fund on the same basis as System franchisees.

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.

The Brand Development Fund collects and expends the Brand Development Fund contributions for the benefit of the System as a whole. We reserve the right to use the Brand Development Fund contributions to place advertising in national, regional or local media (including broadcast, print, or other media) and to conduct marketing campaigns through any channel, in our discretion, including but not limited to, Internet and direct-mail campaigns. We have no obligation, however, to place advertising or conduct marketing campaigns in any particular area, including the Territory where your Franchised Business is located.

The Brand Fund and its earnings shall not otherwise inure to our benefit except that any resulting technology and intellectual property shall be deemed our property.

We have no obligation to make expenditures that are equivalent or proportionate to your Brand Development Fund contribution or to ensure that you benefit directly or pro rata from the production or placement of advertising from the Brand Development Fund.

The Brand Development Fund was established on January 1, 2023. ~~In the fiscal year ending in December 31, 2023 were collected \$31,530.86 in 2022, we did not collect any Brand Development Fund contributions from our franchisees.~~

The Brand Development Fund is not audited. An annual unaudited financial statement of the Brand Development Fund is available to any franchisee upon written request.

If we spend more or less than the total of all contributions to the Brand Development Fund in any fiscal year, we may carry forward any surplus or deficit to the next fiscal year.

Although the Brand Development Fund is intended to be of perpetual duration, we may terminate it at any time and for any reason or no reason. We will not terminate the Brand Development Fund, however, until all monies in the Brand Development Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

Regional Advertising (Franchise Agreement, Section 13.4)

Currently, our System has no regional advertising fund or cooperative. However, we may decide to establish a regional fund or cooperative in the future and your participation may be mandatory, in our sole discretion. A regional cooperative will be comprised of all franchised Renovation Sells outlets in a designated geographic area. Our affiliate-owned outlets may participate in a regional cooperative, in our sole discretion. Each Renovation Sells outlet will have one vote in the cooperative. We will determine in advance how each cooperative will be organized and governed. We have the right to form, dissolve, merge or change the structure of the cooperatives. If a cooperative is established during the term of your Franchise Agreement, you must sign all documents we request and become a member of the cooperative according to the terms of the documents. Currently, there are no governing documents available for your review.

If we establish a regional advertising fund or cooperative, you must contribute amounts equal to your share of the total cost of cooperative advertising. Your contributions to a regional advertising fund or cooperative will be in addition to your required contributions to the Brand Fund; however, contributions made by you to a regional advertising fund or cooperative will be credited against up to one-half of your required expenditures for local advertising. Fees for the cooperative will not to exceed one-half of the Local Advertising requirement or your pro-rata share of actual cooperative advertising costs, whichever is greater.

Advertising Council (Franchise Agreement, Section 9.6)

~~We do not have an franchisee advisory board and advertising council. The franchisee advisory board is composed of franchisees that advise who provide us feedback on our System. The advertising board is composed of franchisees who advise us on advertising policies. The Franchise Agreement gives us Both the right, in our discretion, to create a franchisee advisory board and advertising council to communicate ideas, including proposed advertising policies. If created, we will determine in advance how franchisees are selected to serve in an advisory capacity only to us. We have the council, which may include factors such as a franchisee's level of success, superior performance and profitability. We reserve the right to power to form, change, or dissolve the council these committees at any point in time.~~

5. Computer Systems (Franchise Agreement, Section 12.3)

You are required to have an internet-capable laptop computer that can operate the latest versions of software and computer platforms we require. You will also need a multi-color, laser printer/scanner/fax, a monitor/TV screen, a Wi-Fi router, and an iPhone 11 or newer. You are required to use Google-Suite for your general office tasks, QuickBooks online for bookkeeping, report generation and billing, Buildertrend, a construction management software, Matterport for virtual imagery, ProfitKeeper a royalty collection platform, and any other software that we require. Google software is used for scheduling, customer communication, and data collection. You must purchase the required computer hardware and software, at your expense. The cost of purchasing the required hardware is approximately \$555 - \$4,034 and the current monthly software access fees are \$5,089.80 - \$6,288.00 annually or \$399 - \$524 per month depending on the package and payment plan chosen, subject to increase.

There are no contractual limitations on the frequency and cost of upgrades and/or updates to the above-described systems. We may in the future modify or establish other service

performance or revenue reporting systems, as we deem appropriate, for the accurate and expeditious reporting of Gross Revenue and delivery of our products and services. You must fully cooperate in implementing any such modifications at your expense.

We have no obligation to maintain, repair, update or upgrade your computer hardware and software. At your cost, you must provide on-going maintenance and repairs to your computer hardware and software, which we estimate to cost approximately \$100 per year. You must upgrade your computer hardware and software as necessary to operate the most current version of our System requirements. We cannot estimate the cost of maintaining, updating and upgrading your computer hardware and software because it will depend on the make and model of your computer, repair history, usage, local cost of computer maintenance services in your area and technological advances that we cannot predict.

We reserve the right to have remote and independent access to all information generated by and stored in your computer system, including your revenue information and customer data. There are no contractual limitations on our right to have full access to this information. At our option, we may retrieve, download, analyze and store such information and data at any time. Upon our request, you must sign any documents we require to allow us to independently and electronically access and retrieve the information stored in your computer system. We own all client data stored in your computer system.

6. Table of Contents of Operations Manual

The Table of Contents of our Operations Manual, current as of the date of this Disclosure Document is attached as Exhibit E. The Operations Manual has a total of 183 pages.

7. Training (Franchise Agreement, Article 7)

You (if the franchisee is an individual) or all of your owners (if the franchisee is a business entity) and your general manager must complete our two-week Initial Management Training Program, to our satisfaction, two (2) weeks before opening your Franchised Business. We will train you in the Greater Chicagoland Area, Illinois. Classroom hours may be held virtually.

TRAINING PROGRAM

SUBJECT	HOURS OF VIRTUAL TRAINING	HOURS OF IN PERSON TRAINING	LOCATION
Products and Services: Our Offerings, Design Services, Material and Construction Standards	4	37	Chicago, IL Area

SUBJECT	HOURS OF VIRTUAL TRAINING	HOURS OF IN PERSON TRAINING	LOCATION
Marketing: Collateral Materials, Advertising Standards, How to Attract Clients, Expand Brand Awareness and Referral/Community Building	1	5	Chicago, IL Area
Sales: Consultations, Cultivating the Client Relationship and Creating the Scope of Work	3	12	Chicago, IL Area
Technology and Management: Estimating, Forecasting, Scheduling, Software, Franchise Reporting, KPIs and Financial Management	4	4	Chicago, IL Area
Operations: Daily Procedures, Design, Project Management, Client Communications, Working with Suppliers, Maintenance, Safety and Security	6	406	Chicago, IL Area
Subcontractors & Personnel: Finding subcontractors, managing quality, motivation, and scheduling	2	2	Chicago, IL Area
Design Process: Evaluating Project Needs, Software, Communication with Design Team, Ordering, Installation Standards	2	34	Chicago, IL Area
Financing:	0	1	Chicago, IL Area
TOTAL	22	41	

We schedule training classes as needed, offering the initial training program 4 to 6 times a year approximately every 8 to 12 weeks apart.—Our training program utilizes tools such as franchisor made instructional videos, webinars, presentations and tutorials as well as extensive hands—on training within a classroom environment and in the field.- Our founder,

co-owner, and CEO, Michael Valente, will direct the training program. Michael Valente has been the managing Partner of the Renovation Sells, LLC concept since January of 2018, and since then has worked exclusively developing and growing the brand. From September of 2012 through December of 2017, Michael was the owner of MV Construction LLC in Chicago, IL.

You will receive both classroom instruction and hands-on training. You may not commence operation of the Franchised Business unless and until we determine that you have successfully completed the Initial Management Training Program.

You must pay us an initial training fee of \$5,500 when you sign the Franchise Agreement. The initial training fee covers the cost of our instructors, training materials and up to two weeks on-site training for two (2) people. You are required to bring an additional person to initial training for each territory over three that you purchase. The fee is \$2,500 for each additional person over two people to attend. You must also pay for all of travel and personal expenses, including, but not limited to, all costs for your transportation and most meals for yourself and your personnel. Our current fee to provide initial training to any additional trainees who attend training with you is \$2,500 per additional trainee.

If you do not complete our Initial Management Training Program to our satisfaction, we reserve the right to terminate the Franchise Agreement.

In addition to the Initial Management Program, you must attend Renovation Sells Construction University, a virtual and app-based construction training program. This Program and its fees are completely separate from the Initial Management Program, although access will be granted, and the Program will be discussed during the in-person portion of the Initial Management Program. This virtual training program is 3-months minimum and consists of 13 courses with videos and knowledge checks. The mandatory Program is \$150/month (\$450 total investment for the initial 3 months). If you would like additional access to the app, you may request to extend your subscription, and if subscriptions are available, you will receive access on a month-to-month basis at a cost of \$150/month. Subscriptions will be auto renewed monthly. Requests to cancel must be received at least 1 week from the start date of your renewal.

We may conduct mandatory or optional additional training programs, including an annual conference or national business meeting. If we require it, you must attend mandatory training programs and an annual conference or national business meeting for up to five (5) days each year, at a location we designate. Failure to attend mandatory training, including an annual conference or business meeting, is a default under the Franchise Agreement. We reserve the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs.

ITEM 12: TERRITORY

Under the Franchise Agreement, you have the right to establish and operate one (1) Renovation Sells outlet within a limited protected territory (the "Protected Area"). Your Protected Area is located in all or a portion of a listed town, city, or county, and is identified by a group of contiguous zip codes. The Protected Area is determined on an individual basis taking into account demographics, minimum numbers of households, geographic terrain and market potential. Your Protected Area will have a minimum population of 300,000 people and up to 85,000 owner occupied dwellings, based on the most recent census data and determined by a third-party mapping service. Your Protected Area will be defined and attached to your Franchise Agreement as Attachment 32. 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.

During the term of your Franchise Agreement, and provided that you are not in default of your Franchise Agreement, we will not open another Renovation Sells outlet or grant the right to anyone else to open a Renovation Sells outlet within the Protected Area. However, we reserve all rights to sell, either directly or through others, our products and services under the Marks in the Protected Area (i) through alternative distribution channels, as discussed below, (ii) to pre-existing clients, and/or (iii) at the request of a referral source.

There are minimum performance requirements. You are granted a six-month grace period following the commencement of operations during which no royalty fees will be assessed. Following the end of this initial period, you are required to collect a minimum of \$50,000 of gross revenue in signed contracts every six months, or equivalently, \$100,000 over the course of each year. If you fall below these thresholds, then you will be obligated to pay an adjustment fee equal to the difference between your royalties paid throughout the calendar year and the \$70,000 minimum royalty payment. This ensures a consistent minimum performance standard across our franchise network, aligning with our commitment to mutual success and brand integrity.

We may, but have no obligation to, consider granting to you the right to establish additional Renovation Sells outlets under other franchise agreements. The Franchise Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises within the Territory or contiguous territories.

The Franchise Agreement entitles you to operate from an office in your home. You may not change the location of your Franchised Business office, except in accordance with the requirements of the Franchise Agreement. You may only relocate the Franchised Business office with our consent. We consider the general location, neighborhood and demographic characteristics of the area when approving a site. You are required to remove all identifying signs and property from the original office location.

We reserve all rights not expressly granted in the Franchise Agreement. For example, we or our affiliates may own, operate or authorize others to own or operate Renovation Sells outlets outside of the Protected Area and may operate and solicit other kinds of businesses within the Protected Area such as units in non-traditional locations such as malls, warehouse clubs, home improvement stores, transportation centers, design centers, and limited access venues, among others. 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. We reserve the right to merge with, acquire, or be acquired by, an existing competitive or non-competitive franchise network, chain, or other business; however, we will not convert any acquired business in your Territory to a franchise using our primary trademarks during the Term of your Franchise Agreement.

We also reserve the right to solicit, sell to, negotiate rates with, and service real estate firms that conduct business across multiple areas or have multiple locations either regionally or nationally, such as brokerage firms, builders, property management companies or insurance providers, major corporations that regularly relocate employees (“Commercial Accounts”). You will receive no compensation for services that we provide to Commercial Accounts in your Protected Area, however, we may, but have no obligation to, offer you the first right to service Commercial Accounts 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 real estate and property renovation and remodeling 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 real estate 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 Renovation Sells 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. You may solicit any realtor or real estate office, wherever located, for the purpose of performing home renovation services in your Protected Area only. If you are requested to perform home renovation services at a property outside of your Protected Area, you may do so only if the property is not located in the territory of another Renovation Sells franchisee. If you are requested to perform home renovation services at a property located within the territory of another Renovation Sells franchisee, you must refer the request to such other franchisee, unless such other franchisee provides written acknowledgement that you may perform the service.

ITEM 13: TRADEMARKS

Renovation Sells IP, 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 Renovation Sells outlet in accordance with the System. The Franchise Agreement will license to you the right to operate your Franchised Business under the Renovation Sells Marks, registered with the U.S. Patent and Trademark Office, as described below (the “Principal Marks”):

Mark	Registration Number	Serial Number	Registration/Applicati on Date	Register
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	6,232,000		December 29, 2020	Principal
 Renovation Sells		<u>9800967</u> <u>0</u>	<u>May 23, 2023</u>	<u>Principal</u>

Licensor has filed all required affidavits. No registrations have been required to be renewed as of the date of this disclosure document; however, our affiliate has filed with the United States Patent and Trademark Office all required maintenance for the above Marks.

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 given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of the Principal Marks or other Marks. Licensor and we have the right to control any administrative proceedings or litigation involving the Principal Marks or other Mark licensed by us to you. You must cooperate fully with Licensor and us in defending and/or settling the litigation.

We reserve the right to substitute different Marks if we can no longer use the current Marks, or if we determine that substitution of different Marks will be beneficial to the System. In such event, we may require you, at your expense, to modify or stop using any Mark, including the Principal Marks, or to use one or more additional or substitute Marks.

You must not directly or indirectly contest Licensor's right, or our right, to the Principal Marks or other Marks.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeals Board, the Trademark Administration of any state, or any court relating to the Marks. There is no pending infringement, opposition or cancellation. There is no pending material federal or state court litigation involving the Principal Marks or other Marks.

There are no currently effective agreements that significantly limit Licensor's or our rights to use or license the use of the Principal Marks or other Marks in a manner material to the franchise.

Our license agreement with Licensor gives us broad rights to use the Marks in connection with the operation of the Renovation Sells franchise System, and to sublicense to franchisees the right to use the Marks, in strict accordance with our Franchise Agreement. The term of our license agreement is for five (5) years, commencing June 19, 2020, and

will automatically renew every five (5) years. The license agreement will terminate only upon (i) our bankruptcy or (ii) our election to terminate by providing 180 days' prior notice to the Licensor. A termination of the license agreement will have no effect on sublicenses granted to franchisees prior to the date of termination.

As of the date of this Disclosure Document, we know of no superior prior rights or infringing uses that could materially affect your use of the Principal Mark.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We hold no patents and have no pending patent applications that are material to the franchise. We have registered no copyright with the United States Copyright Office. However, we claim copyrights on certain forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in our Operations Manual and the contents of our website.

There are no current material determinations of, or proceedings pending in, the United States Patent and Trademark Office, the U.S. Copyright Office, or any court regarding any of our copyrights discussed above.

There are no agreements currently in effect that limit your right to use any of our copyrights. As of the date of this Disclosure Document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights that could materially affect your use of them.

You must notify us immediately when you learn about an infringement of or challenge to your use of our copyrights. We will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of our copyrights. We have the right to control any administrative proceedings or litigation involving our copyrights licensed by us to you. You must cooperate fully with us in defending and/or settling the litigation.

If you develop any new concept, process, product, service, or improvement ("Improvement") in the operation or promotion of the Franchised Business, you are required promptly notify us and provide us with all requested information relate to the Improvement and sign all documents necessary for us to obtain full proprietary rights to the Improvement. We have no obligation to compensate you for the Improvement or for any cost you incur to sign over your rights to the Improvement to us.

During the term of the Franchise Agreement, you may have access to and become acquainted with our trade secrets, including, but not limited to, methods, processes, customer lists, vendor partnerships and/or relationships, sales and technical information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of your Franchised Business; systems of operation, services, programs, products, procedures, policies, standards, techniques, requirements and specifications which are part of the System; the Operations Manual; methods of advertising and promotion; instructional materials; marketing plans, business methods, research,

development or know-how, any other information which we may or may not specifically designate as "confidential" or "proprietary", and the components of our System whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively called the "Confidential Information"). You agree that you will take all reasonable measures to maintain the confidentiality of all Confidential Information in your possession or control and that all such Confidential Information and trade secrets shall remain our exclusive property. You may never during the Initial Term, any Renewal Term, or after the Franchise Agreement expires or is terminated reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our Confidential Information or give it to a third party except as we authorize in writing to you prior to any dissemination. Any and all of your personnel who have access to our Confidential Information must sign our Confidentiality/Non-Competition Agreement (Franchise Agreement, Attachment 8).

You must promptly tell us when you learn about unauthorized use of any Confidential Information. We are not obligated to take any action, but will respond to this information as we think appropriate. We will indemnify you for losses brought by a third party concerning your use, in strict compliance with the Franchise Agreement, of the Confidential Information.

We reserve the right to modify or discontinue using the subject matter covered by a patent or copyright. In such event, we may require you, at your expense, to modify or discontinue using the subject matter in the operation of your Franchised Business.

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

The Franchise Agreement requires that you personally supervise and manage the day-to-day operation of your Franchised Business. ~~You may not appoint a non-owner manager of your Franchised Business, unless you receive our prior written approval.~~ with our approval you may a manager so long as the manager his minimum ownership of ten percent (10%) that can be earned over time Upon approval, your manager must successfully complete our Initial Business Training Program and all other training courses we require. Your manager must devote full time to the job and cannot have an interest or business relationship with any of our competitors. If the franchisee is a business entity, your manager is not required to have an equity interest in the franchisee entity but must otherwise meet our approval. If you buy four or more territories, you are required to have an additional manager per territory over three if multiple principals are not purchasing the franchise.

Your manager and all other personnel who will have access to our proprietary and Confidential Information and training must sign our Non-Disclosure/Non-Competition Agreement, which is attached to our Franchise Agreement as Attachment 8. If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our ~~Personal~~Spousal Guaranty, which is attached to our Franchise Agreement as Attachment 6.

ITEM 16: RESTRICTION ON WHAT FRANCHISEE MAY SELL

You may only offer and sell the products and services that are part of the System, and the services and products which we incorporate into the System in the future. You may only offer products and services that we have previously approved and for which you are qualified to provide.

You may not use our Marks for any other business, and you may not conduct any other business at or through your Franchised Business operations or office. You cannot engage in any other business that competes with your Franchised Business, with us or our affiliates, or with Renovation Sells outlets owned by other franchisees, whether such business is inside or outside of the Territory.

We may add to, delete from or modify the products and services that you can and must offer. You must abide by any additions, deletions and modifications. There are no other limits on our rights to make these changes.

You may only sell products and services in the manner we prescribe. 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 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term	Art. 4	Term is ten (10) years
b.	Renewal or extension of the Term	Art. 5	If you are in good standing as defined below, you can sign a successor agreement for one (1) additional term of ten (10) years, unless we have determined, in our sole discretion, to withdraw from the geographical area where your Franchise is located.

	Provision	Section in Franchise Agreement	Summary
c.	Requirements for franchisee to renew or extend	Sections 5.1 and 5.2	Be in full compliance, have no more than three (3) events of default during current term, provide written notice to us at least nine (9) months, but not more than twelve (12) months, before the end of the term, execute a new franchise agreement, pay us the Successor Agreement Fee of \$5,000 per Territory, repair, upgrade or replace the equipment and other Franchised Business assets to meet then-current specifications, execute a general release, comply with then-current qualifications and training requirements, including completion of additional training, subject to state law. You may be asked to sign a new Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.
d.	Termination by franchisee	None	The Franchise Agreement does not give you any right to terminate. You may seek termination upon any grounds permitted by law.
e.	Termination by franchisor without cause	Section 16.7	The Franchise Agreement will terminate upon your death or permanent disability and the Franchise must be transferred within six months to a replacement franchisee that we approve.
f.	Termination by franchisor with cause	Article 17	We may terminate only if you default, subject to state law. The Franchise Agreement describes defaults throughout. Please read it carefully.
g.	"Cause" defined – curable defaults	Section 17.3	You have 5 days to cure non-payments and any other defaults (except for non-curable defaults listed in the Franchise Agreement and described in h. immediately below).

	Provision	Section in Franchise Agreement	Summary
h.	"Cause" defined - non-curable defaults	Sections 17.1 and 17.2	<p>The Franchise Agreement will terminate automatically, without notice for the following defaults: insolvency; bankruptcy; written admission of inability to pay debts; receivership; levy; composition with creditors; unsatisfied final judgment for more than 30 days; or foreclosure proceeding that is not disclosed within 30 days.</p> <p>We may terminate the Franchise Agreement upon notice to you if you: do not obtain required licenses and permits and/or open the Franchised Business within required time frames; falsify any report to us; fail to operate for a period of five (5) consecutive days or more; fail to comply with applicable laws; understate Gross Revenue two (2) or more times; fail to comply with insurance and indemnification requirements; attempt a transfer in violation of the Franchise Agreement; fail, or your legal representative fails to transfer as required upon your death or permanent disability; misrepresent or omit a material fact in applying for the Franchise; are convicted or plead no contest to a felony or crime that could damage the goodwill or reputation of the Marks or the System; receive an adverse judgment in any proceeding involving allegations of fraud, racketeering or improper trade practices or similar claim that could damage the goodwill or reputation of the Marks or the System; conceal revenues or maintain false books; create a threat or danger to public health or safety; refuse an inspection or audit by us; use the Marks, copyrighted material or Confidential Information in an unauthorized manner; make an unauthorized disclosure of Confidential Information; fail to comply with non-competition covenants; default in the performance of your obligations three (3) or more times during the term or receive two (2) or more default notices in any 12-month period; default under any other agreement with us or our affiliate; have insufficient funds to honor a check or EFT two (2) or more times within any twelve (12)-month period; or terminate the Franchise Agreement without cause.</p>

	Provision	Section in Franchise Agreement	Summary
i.	Franchisee's obligations on termination/ non-renewal	Article 18	Upon termination, you must: cease operations; cease to identify yourself as a Renovation Sells franchisee; cease to use the Marks; cancel any assumed name registration that contains any Mark; pay us and our affiliates all sums owing; pay us any damages, costs or expenses we incur in obtaining any remedy for any violation of the Franchise Agreement by you, including, but not limited to attorneys' fees; deliver to us all Confidential Information, the Operations Manual and all records and files related to your Franchised Business; comply with the non-disclosure and non-competition covenants; sell to us, at our option, all fixtures, equipment, inventory and supplies of your Franchised Business; and assign, at our option, your telephone numbers, directory and internet listings, and social media and software accounts.
j.	Assignment of contract by franchisor	Section 16.1.1	No restrictions on our right to assign.
k.	"Transfer" by franchisee defined	Section 16.3	Any assignment, sale, transfer, gift, devise or encumbrance of any interest in the Franchise Agreement, the Franchised Business, any assets of the Franchised Business, or in the Franchisee (if the Franchisee is a business entity).
l.	Franchisor approval of transfer by franchisee	Section 16.3	No transfer is allowed without our consent, which we will not unreasonably withhold.
m.	Conditions for franchisor approval of a transfer	Section 16.3 and 16.4	Conditions include: our decision not to exercise our right of first refusal; transferee meets our then-current standards for qualifying franchisees; transferee signs our then-current form of Franchise Agreement, which may have materially different terms from your Franchise Agreement; transferee successfully completes our Initial Management Training Program; you have paid us and third-party creditors all amounts owed; you and the transferee sign a General Release in the form of Attachment 4 to the Franchise Agreement Exhibit E ; you shall subordinate any claims you have against the transferee to us; you will indemnify us for a period of 3 years following the transfer; our approval of the material terms and conditions of the transfer; and payment of a transfer fee of \$5,000 per Territory or no transfer fee for transfer to an entity owned and controlled by the franchisee for convenience purposes or no transfer fee for a transfer to a spouse, parent or child upon death or permanent disability, subject to state law.

	Provision	Section in Franchise Agreement	Summary
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 16.6	You must promptly notify us of any written offer to purchase your Franchise. We have 30 days to exercise our first right to buy it on the same terms and conditions, provided that (a) we may substitute cash for any other consideration (b) we may pay the entire purchase price at closing, (c) our credit is deemed as good as the proposed purchaser, (d) we have at least 60 days to close and (e) you shall give us all customary seller's representations and warranties.
o.	Franchisor's option to purchase franchisee's business	Section 18.2	Upon termination of the Franchise Agreement, we have the option to purchase your equipment, signs, advertising materials, supplies and inventory at your cost or fair market value, whichever is less.
p.	Death or disability of franchisee	Sections 16.3, 16.4 and 16.7	The Franchise Agreement will terminate upon your death or permanent disability, and the Franchise must be transferred within six months to a replacement franchisee that we approve.
q.	Non-competition covenants during the term of the franchise	Section 19.5.1	You may not: divert, or attempt to divert, customers or referral sources of any Renovation Sells outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
r.	Non-competition covenants after the franchise is terminated or expires	Section 19.5.2	For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, customers or referral sources of any Renovation Sells business (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business within 20 miles of your former Renovation Sells Territory or any other Renovation Sells office location; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
s.	Modification of the agreement	Sections 9.4, 14.6, 19.1.4 and 21.4	No oral modifications generally, but we may change the Operations Manual and System standards at any time. You may be required to implement these changes at your own costs. We have the right to modify our Marks at any time upon written notice to you.

	Provision	Section in Franchise Agreement	Summary
t.	Integration/merger clause	Section 21.4	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Nothing in any Franchise Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Sections 20.1 and 20.2	At our option, claims that are not resolved internally may be submitted to non-binding mediation at our headquarters, subject to state law.
v.	Choice of forum	Section 20.3	Litigation takes place in Illinois, subject to applicable state law.
w.	Choice of law	Section 20.3	Illinois law applies, subject to applicable state law.

See the state addenda to this Franchise Disclosure Document and the Franchise Agreement for special state disclosures.

ITEM 18: PUBLIC FIGURES

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

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 historical financial performance representation of the outlet owned by our affiliate, Renovation Sells, LLC, located in Chicago, Illinois, as of December 31, 2022, our fiscal year end. This outlet operates partly out of a commercial office space and partly from the home an affiliate member. The results of our other affiliate, MV Construction, LLC, are not disclosed because the business model is different from the offering presented in this Disclosure Document. All financial information included in this Financial Performance Representation has been generated by using financial information provided in they bookkeeping systems.

Part 1. Sales and Expense Information

The following table summarizes the sales and expenses of our affiliate-owned location included in this Financial Performance Representation during the period January 1, 2022 to December 31, ~~2023~~2022.

Table I. Financial Performance of Affiliate Owned Location				
	<u>2022</u> <u>2023</u> \$	<u>2022</u> <u>2023</u> %	<u>2021</u> <u>2022</u> \$	<u>2022</u> <u>2021</u> %
Gross Sales	\$2,440,904,340,056	100%	\$1,884,435,211,904	100.0%
Cost of Goods Sold				
Labor	\$480,247,841,683	22.75% 5.97%	\$393,784,975,048	20.9% 46.1% 9%
Materials	\$975,048,94,108	46.1% 92.5% 39%	\$792,527,80,247	42.4% 22.7% 5%
Total Cost of Goods Sold	\$	68.94	\$	
Gross Margin	\$655,609,04,265	31.0% 63.8% 64%	\$697,824,55,609	37.0% 31.0% 6%
Expenses				
General Manager Compensation	\$84,215	3.60%	\$0	0.00%
Advertising and Marketing	\$29,207,41,005	1.38% 75%	\$30,605,29,207	1.62% 38%
Labor - Indirect	\$23,357	1.00%	\$31,587	1.50%
Auto Expenses	\$40,904,12,496	0.52% 53%	\$8,473,10,930	0.45% 52%
Professional Services	\$558,10,989	0.03% 47%	\$7,677,8,576	0.41%
Bank and Financing Fees				

	\$ 6,43 <u>5044</u>	0.30 <u>26%</u>	\$ 3,90 <u>556,</u> 435	0.21 <u>30</u> %
Insurance Expense				
Labor-Indirect	\$	1.50%	\$	2.05%
	\$ 2,84 <u>2\$3,</u> <u>209</u>	0.13 <u>14%</u>	\$ 2,56 <u>9842</u>	0.14 <u>13</u> %
Office Expense				
	\$ 8,57 <u>6\$1,</u> <u>357</u>	0.41 <u>06%</u>	\$ 8,15 <u>6\$1,</u> <u>273</u>	0.43 <u>06</u> %
Telephone ExpenseProfessional Services				
Bank and Financing Fees	\$ <u>1,2</u> 64	<u>0.05</u> %	\$ 558	<u>0.03</u> %
	\$ 375	0.02 %	\$ 644 <u>\$</u> 375	0.03 <u>02</u> %
Taxes and Licenses				
Telephone	\$	0.06%	\$	0.06%
	\$ 8,12 <u>4\$12</u> <u>,720</u>	0.38 <u>54%</u>	\$ 8,12 4	0.43 <u>38</u> %
Software FeesExpenses				
	\$ 99,9 05	4.73 %	\$ 109, 999	5.84 %
———— Total Expenses				
Gross Profit Less Disclosed Expenses	\$ 555, 7047 <u>07,2</u> <u>34</u>	26.3 <u>330,</u> 22%	\$ 587, 8255 <u>55,7</u> <u>02</u>	31.2 <u>026,</u> 33 %
<u>Franchise Expenses Not Incurred by AffiliateLess:</u> <u>adjustments for other recurring franchisee related</u> <u>expenses that will be incurred by you but that were</u> <u>not incurred by our Reporting Company Owned</u> <u>Outlet.</u>				
Royalty	\$ 147, 7631 <u>63,8</u> 04	7.00 %	\$ 131, 8891 <u>47,7</u> 63	7.0 %
Brand Fund	\$ 21,1 0923 <u>,401</u>	1.00 %	\$ 18,8 4121 <u>,109</u>	1.0 %
Net IncomeGross Profit Less Disclosed Expenses and Franchisee Related Expenses	\$ 386, 8325 <u>20,0</u> <u>29</u>	18.3 <u>322,</u> 22%	\$ 437, 0953 <u>86,8</u> <u>30</u>	23.2 <u>18,3</u> 3%

¹ The figures in the above tables have not been audited.

² Gross Sales include all money received in the operation of the business, less sales taxes or other taxes collected from customers for transmittal to the appropriate taxing authority.

³ Cost of Goods Sold Labor consists of payroll and subcontractor payments to the craftsmen and laborers who performed the services represented by Gross Sales.

⁴ Cost of Goods Sold Material includes material and labor costs. Your costs may vary based upon your state as material costs may include sales tax paid for materials subject to state tax laws. In Some states, materials used for capital improvements are exempt from sales tax. For example, sales tax in Chicago, IL, where our affiliate is based, is 10.25% which may be higher or lower than your area, even if the materials are taxable in the state where your franchise is located, and therefore your costs may differ from these estimates. The accounting system does not segregate sales taxes and labor cost of sales, thereby making quantification difficult.

⁵ Gross Margin is the mathematical result of Gross Sales minus Total Cost of Goods Sold.

⁶Advertising and Marketing represents expenditures advertise and promote the services offered by Renovation Sells, primarily via social media advertising on platforms such as Facebook, Google, and Houzz, as well as a variety of areas including print advertising, printed material, swag, local networking events and networking groups, and client entertainment including coffee, breakfast, lunch, and dinner outings.

⁷Auto Expense represents the cost of one company vehicle including the monthly payment, fuel and maintenance.

⁸Bank and Credit Card Fees represents the merchant services fees charged by our bank and credit card processing service.

⁹Insurance expense includes business liability and workers compensation insurance.

¹⁰Indirect Labor represents the wages paid to administrative operations employees to order material and create contracts as well as the employer taxes paid on those wages.

¹¹Office Expense includes general office supplies, and computer related purchases such as toner cartridges.

¹²Professional Services Accounting represents the cost of an outside accountant and bookkeeper to maintain ledgers, prepare financial statements, and file tax returns.

¹³Taxes and Licenses are amounts paid to for business related licenses including articles of incorporation fees.

¹⁴Telephone represents the cost of telephone and mobile phone service for the business.

¹⁵For our affiliate owned location, this amount represents the hypothetical Royalty, Fees our affiliate would pay under the Franchise Agreement. You will not pay any Brand Fund contributions until the System has 20 franchisees and they are not included in the above table. You are required to pay a fee to a third party for software. Our affiliate paid the same amount as you will pay to the same vendor. This amount is not hypothetical but is shown with the other franchise related costs for clarity.

¹⁶ Net Income includes Gross Sales, less cost of sales, expenses and franchise expenses not incurred by our affiliate.

Part 2. Average Project Gross Sales

The following table presents the Gross Sales, Number of Projects and Average Gross Sales per Project for 2021.

	<u>2023</u>	<u>2022</u>	<u>YOY2021</u>
-			
Gross Sales	<u>\$2,340,056</u>	\$ <u>2,110,004</u> 904	\$ <u>1,884,135</u> 10.86%
Number of Projects	<u>64</u>	<u>61</u>	<u>654.92%</u>
Average Gross Sales per Project	<u>\$</u> <u>36,563</u>	<u>\$</u> 34,606	<u>\$</u> <u>28,986</u> 5.66%
Highest Project Gross Sales	<u>\$</u> <u>319,285</u>	<u>\$</u> 323,000	<u>\$</u> <u>120,450</u> -1.15%
Lowest Project Gross Sales	<u>\$</u> <u>2,950</u>	<u>\$</u> 2,500	<u>\$</u> <u>1,000</u> 18.00%
Median Project Gross Sales	<u>\$</u> <u>24,950</u>	<u>\$</u> 26,150	<u>\$</u> <u>25,534</u> -4.59%

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Part 3. Cost of Goods Sold Components of Affiliate Owned Location

The following table presents the components of Cost of Goods Sold of our only affiliate owned location during the period January 1, ~~2023~~2022 to December 31, ~~2023~~2022. Cost of Goods Sold includes Labor and Materials.

Table III. Cost of GoodsGood Sold Components of		
of Affiliate Owned Location		
<u>Category</u>	<u>2022</u> <u>%2023</u>	<u>% of</u> <u>Total</u> <u>Cost</u>
Drywall / Painting	\$ 196,474 228,538	13.50 15.92%
Tile	\$ 179,413 142,981	12.33 9.96%
Finished Materials + Other Direct Cost	\$ 145,573	10.00%
Countertop Stone	\$ 144,071 119,337	9.90 8.31%
Plumbing	\$ 111,128	7.64%
Electrical / Electrical Fixtures	\$ 106,999 112,831	7.35 8.6%
Flooring	\$ 110,796	7.72%
Plumbing	\$ 107,227	7.47%
Cabinet Painting	\$ 99,927	6.96%
Demo / Trash Removal / Cleanup	\$ 98,421	6.85%
Bathroom Materials	\$ 105,978 88,027	7.28 6.13%
Cabinets and Vanities Vanities	\$ 98,182 81,265	6.75 5.66%
Flooring	\$ 91,621	6.29%
Other Direct Costs	\$ 80,705	5.54%
Demo / Trash Haul Finished Materials	\$ 61,586 57,470	4.23 0%
Glass shower doors Shower Doors / Mirrors	\$ 49,894 52,726	3.43 6.7%
Carpet	\$ 34,133 31,228	2.35 1.7%
Tub / Tile Refinishing	\$ 22,070 940	1.52 6.0%
Interior Trim	\$ 21,725	1.51%
Framing	\$ 13,489 18,642	0.93 1.30%
Exterior Cleanup	\$ 3,800 16,113	0.26 1.12%
Fireplaces	\$ 3,207	0.22%

Appliances	\$ 3,179,10,704	0.2275%
Fireplace Tile Exterior	\$ 2,225,8,677	0.1560%
Interior Trim	\$ 1,200	0.08%
HVAC	\$ 368,6,216	0.0343%
Total Year Cost of Sales	\$ 1,455,295,435,791	100.00%

Notes for Table III--

1. These results are unaudited.
2. These results represent sales of products and services which will be available for franchisees to sell.
3. Our affiliate operates in a two territory market and the data above was achieved in an area comprising a population of approximately 827,000. Your results may vary depending on the size and characteristics of your territory. Other than the size of your territory and the hypothetical royalty and brand fund contributions disclosed above in Table 1, there are no material differences between our affiliate outlet and the outlet you will operate.
4. Cost of Goods sold component is inclusive of Labor and Materials

Part 4. Sales of Corporate Owned Location

The following table presents the Gross Sales of our only corporate owned location during the period January 1, 2023 to December 31, 2023.

Table IV Sales by Month - Chicago - Corporate		
Month	Gross Sales	% of Gross Sales
January	\$ 138,299	5.91%
February	\$ 143,704	6.14%
March	\$ 308,726	13.19%
April	\$ 109,385	4.67%
May	\$ 219,296	9.37%
June	\$ 206,304	8.82%
July	\$ 222,494	9.51%
August	\$ 220,762	9.43%
September	\$ 209,738	8.96%
October	\$ 207,325	8.86%
November	\$ 101,755	4.35%
December	\$ 252,268	10.78%
Total	\$ 2,340,056	100.00%

Part 5. Signed Contracts

The following table presents the total signed contracts of franchisee and corporate owned location as of December 31, 2023.

Signed Contracts by end of 2023 - Entire System			
	<u>Average Revenue of each group</u>	<u># of locations in each group</u>	<u>Avg length of time Open in months</u>
<u>Top 25%</u>	\$ 710,978	7	18.5
<u>Middle 50%</u>	\$ 306,874	13	17.9
<u>Low 25%</u>	\$ 119,496	7	16.43
<u>Open Less than 12 Months</u>	\$ 160,175	11	7.18

Written substantiation of the data used in preparing these figures will be made available to you upon reasonable request. The information presented above has not been audited.

Our affiliate-owned outlet has earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

Other than the preceding financial performance representation, Renovation Sells Franchising, LLC does 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 Michael Valente, Renovation Sells Franchising, LLC, 2370 N. Elston Avenue, Chicago, Illinois 60602, (773) 217-0581, 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 ~~2020~~2021 to ~~2023~~2022

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021 <u>2020</u>	0	<u>98</u>	<u>0+8</u>
	2024 <u>2022</u>	<u>98</u>	<u>731</u>	<u>+723</u>
	2022 <u>2023</u>	<u>731</u>	<u>3542</u>	<u>+199</u>
Company – Owned*	2020 <u>2021</u>	1	1	0
	2022 <u>2024</u>	1	1	0
	2022 <u>2023</u>	1	1	0
Total Outlets	2021 <u>2020</u>	1	<u>49</u>	<u>0+8</u>
	2022 <u>2024</u>	<u>49</u>	<u>832</u>	<u>+723</u>
	2022 <u>2023</u>	<u>832</u>	<u>3643</u>	<u>+199</u>

Table No. 2
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years ~~2020~~2021 to ~~2023~~2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
None	2021 <u>2020</u>	0
	2024 <u>2022</u>	0
	2022 <u>2023</u>	0
Total	2021 <u>2020</u>	0
	2022 <u>2024</u>	0
	2022 <u>2023</u>	0

Table No. 3
Status of Franchised Outlets
For Years ~~2020~~2021 to ~~2023~~2022

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non- renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Colorado Arizona	2021 2021	0	0	0	0	0	0	0
	2022 2022	0	<u>3</u> <u>1</u>	0	0	0	0	<u>3</u> <u>1</u>
	2023 2023	<u>3</u> <u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Georgia California	2021 2021	0	0	0	0	0	0	0
	2022 2022	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2023 2023	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Colorado	2021	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2020 2022	<u>0</u> <u>1</u>	<u>2</u> <u>1</u>	0	0	0	0	2
	2023	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Connecticut	2021	<u>2</u> <u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2022	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2023	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
District of Columbia	2021	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2022	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2023	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Delaware	2021	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2022	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2023	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Florida	2021	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2022	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	2023	<u>0</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Georgia	2021	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2022	<u>1</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
	2023	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Illinois	2020 2021	0	<u>0</u> <u>1</u>	0	0	0	0	<u>0</u> <u>1</u>
	2022	<u>1</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
	2023	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Indiana	2021	0	<u>2</u> <u>0</u>	0	0	0	0	<u>2</u> <u>0</u>
	2022	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	2023	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Michigan	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Minnesota	2021	0	0	0	0	0	0	0
	2022	20	2	0	0	0	0	2
	2023	2	1	0	0	0	0	3
New Hampshire	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
North Carolina	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Ohio	2021	0	30	0	0	0	0	30
	2022	30	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Pennsylvania	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
South Carolina	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	0	2	0	0	0	0	2
	2023	2	0	1	0	0	0	0
Texas	2020	0	0	0	0	0	0	0
	2021	0	3	0	0	0	0	3
	2022	3	5	1	0	0	0	7
Virginia	2021	0	40	0	0	0	0	40
	2022	40	1	0	0	0	0	1
	2023	1	0	0	0	0	0	0
Total	2020	0	0	0	0	0	0	0
Washington	2021	0	160	0	0	0	0	160
	2022	160	190	0	0	0	0	350
	2023	0	1	0	0	0	0	1
Wisconsin	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Total	2021	0	8	0	0	0	0	8
	2022	8	25	2	0	0	0	23
	2023	23	13	4	0	0	0	43

Table No. 4
Status of Company Owned* Outlets
For Years 2020/2021 to 2023/2022

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
Illinois	2020 2021	1	0	0	0	0	1
	2022 2024	1	0	0	0	0	1
	2022 2023	1	0	0	0	0	1
Total	2020 2021	1	0	0	0	0	1
	2022 2024	1	0	0	0	0	1
	2022 2023	1	0	0	0	0	1

Table No. 5

Projected Openings as of December 31, ~~2023~~2022

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Next Fiscal Year
Alabama	0	1	0
Alaska	0	<u>4</u> 0	0
Arizona	0	2	0
Arkansas	0	<u>4</u> 0	0
California	0	<u>4</u> 2	0
Colorado	0	1	0
Connecticut	0	1	0
Delaware	0	<u>4</u> 0	0
Florida	0	<u>4</u> 4	0
Georgia	0	1	0
Illinois	0	<u>4</u> 2	0
Indiana	0	1	0
Kansas	0	<u>4</u> 0	0
Kentucky	0	<u>4</u> 0	0
<u>Maryland</u>	<u>0</u>	<u>1</u>	<u>0</u>
Massachusetts	0	1	0
Michigan	0	1	0
Minnesota	0	1	0
Mississippi	0	<u>4</u> 0	0
Missouri	0	1	0
New Jersey	0	<u>2</u> 1	0
New York	0	1	0

<u>North Carolina</u>	<u>0</u>	<u>2</u>	<u>0</u>
Ohio	0	<u>21</u>	0
Pennsylvania	0	1	0
South Carolina	0	1	0
Tennessee	0	1	0
Texas	<u>20</u>	<u>32</u>	0
Utah	0	1	0
Virginia	0	1	0
<u>Washington</u>	<u>0</u>	<u>1</u>	<u>0</u>
Total	<u>20</u>	33	0

* Our company-owned outlet is operated by our affiliate.

Exhibit E lists the location of each Renovation Sells franchisee in our System.

During our last fiscal year, no franchisee has had an outlet terminated, canceled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or has not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.

ITEM 21: FINANCIAL STATEMENTS

~~Renovation Sells Franchising, LLC, was formed on June 19, 2020. Because we have not been in business for three (3) years, we are not able to include the three (3) prior years of audited financial statements normally required by this Item 21. Our audited financial statements for December 31, ~~2023~~2022, December 31, ~~2022~~2021 and the period of inception through December 31, ~~2020~~2021 are included in Exhibit C. Exhibit C also includes our unaudited balance sheet as of June 30, 2023.~~

Our fiscal year end is December 31.

ITEM 22: CONTRACTS

Copies of all proposed agreements regarding the franchise offering are included in Exhibit B. These include our Franchise Agreement and all attachments to it (~~Acknowledgment Statement, Marks, Territory Description, General Release, Statement of Ownership~~

Interests in Franchisee, Spousal Guaranty, Internet and Social Media Listing Assignment Agreement, and Confidentiality and Non-Compete Agreement).

ITEM 23: RECEIPT

A receipt in duplicate is attached to this Disclosure Document as Exhibit H₁. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Michael Valente, Renovation Sells Franchising, LLC, 2370 N. Elston Avenue, Chicago, IL 60614.

EXHIBIT A

AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau

State	State Agency	Agent for Service of Process
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty St Street , 21 st FL Floor New York, NY 10005 (212-) 416-8222 Phone	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5 th <u>State Capitol, 14th Floor, Dept. 414</u> Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501 (360) 902-8760
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B
FRANCHISE AGREEMENT

EXHIBIT C

FINANCIAL STATEMENTS

Renovation Sells Franchising, LLC

UNAUDITED FINANCIAL STATEMENTS

~~These financial statements have been prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no independent certified public accountant has audited these figures or expressed an opinion with regard to their content or form.~~

AUDITED FINANCIAL STATEMENTS

EXHIBIT D

RENOVATION SELLS OPERATIONS MANUAL

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EXHIBIT E

FRANCHISED OUTLETS

FRANCHISED OUTLETS AS OF DECEMBER 31, 2023~~2022~~

Franchisee	Address	City/State	Email
Jason Maier	14641 Tango Loop	Parker, CO 80134	jason@renovationsells.com
Jason Maier	14641 Tango Loop	Parker, CO 80134	jason@renovationsells.com
Jason Maier	14641 Tango Loop	Parker, CO 80134	jason@renovationsells.com
Limor & Sammy Kolt	5370 Hampstead Way	Johns Creek, GA 30097	limor@renovationsells.com
Limor & Sammy Kolt	5370 Hampstead Way	Johns Creek, GA 30097	limor@renovationsells.com
Ryan LeBrun	878 Millcreek Circle	Egan, IL 60123	ryan@renovationsells.com
Ryan LeBrun	878 Millcreek Circle	Egan, IL 60123	ryan@renovationsells.com
William Allen	2026 Providence Road	Charlotte, NC 28211	will@renovationsells.com
William Allen	2026 Providence Road	Charlotte, NC 28211	will@renovationsells.com
William Allen	2026 Providence Road	Charlotte, NC 28211	will@renovationsells.com
Scott & Rachel Migli	5 Seahorse Court	Isle of Palms, SC 29451	scott@renovationsells.com
Scott & Rachel Migli	5 Seahorse Court	Isle of Palms, SC 29451	scott@renovationsells.com
Thomas Nicoletti	19727 Chaparral Berry Drive	Cypress, TX 77433	thomas@renovationsells.com
Thomas Nicoletti	19727 Chaparral Berry Drive	Cypress, TX 77433	thomas@renovationsells.com
Thomas Nicoletti	19727 Chaparral Berry Drive	Cypress, TX 77433	thomas@renovationsells.com
Sarah Drawert	401 Monte Vista Drive	Dallas, TX 75223	sarah@renovationsells.com

FRANCHISE AGREEMENTS SIGNED BUT OUTLETS NOT YET OPEN
AS OF DECEMBER 31, 2023

Franchisee	City/State	Email
Byron Stewart	The Woodlands NE Houston, TX	byron@renovationsells.co m
Byron Stewart	The Woodlands NE Houston, TX	byron@renovationsells.co m

EXHIBIT F

GENERAL RELEASE

This release (the "Release") is given this day of _____ by _____
_____, a(n) _____, with its principal place of business located at _____
_____, ("Franchisee") and _____ 's principals
_____, an individual residing at _____ and
_____, ("Principal(s)").

Franchisee and Principal(s), on behalf of themselves and their respective officers, directors, employees, successors, assigns, heirs, personal representatives, and all other persons acting on their behalf or claiming under them (collectively, the "Franchisee Releasors"), hereby release, discharge and hold harmless Renovation Sells Franchising, LLC ("Franchisor"), Renovation Sells IP, LLC, Renovation Sells Holding, LLC, Renovation Sells, LLC, MV Construction, LLC, parent company, affiliates, and each of their respective officers, directors, members, shareholders, employees, agents, attorneys, successors, and assigns (collectively, the "Franchisor Releasees") from any suits, claims, controversies, rights, promises, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character and description, in law or in equity, whether presently known or unknown, vested or contingent, suspected or unsuspected arising under, relating to, or in connection with the Franchise Agreement dated _____ between Franchisee and Franchisor and any related agreements and the relationship created thereby, or the Franchised Business operated under the Franchise Agreement, or any claims or representations made relative to the sale of the franchise to operate such Franchised Business or under any federal or state franchise or unfair or deceptive trade practice laws, which any of the Franchisee Releasors now own or hold or have at any time heretofore owned or held against the Franchisor Releasees (collectively, the "Franchisee Released Claims").

FRANCHISEE AND PRINCIPAL(S) ON BEHALF OF THEMSELVES AND THE FRANCHISEE RELEASORS WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS WHICH THE FRANCHISEE RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT. The Franchisee Releasors also covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against any Franchisor Releasees with respect to any Franchisee Released Claim, and Franchisee and Principal(s) shall defend, indemnify and hold harmless each of Franchisor Releasees against same.

Release given this day of _____ by:

FRANCHISEE: _____ PRINCIPAL: _____

By: _____ (Print Name)

_____, PRINCIPAL:

_____,
(Print Name, Title)

(Print Name)

*Not for use in California or Maryland

Do not sign the Acknowledgment Statement if you are a resident of Maryland or the business is to be operated in Maryland

EXHIBIT FG

FRANCHISEE ACKNOWLEDGEMENT STATEMENT

Franchisee hereby acknowledges the following:

1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.

Initial

2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.

Initial

3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

Initial

4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the

Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.

Initial

5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

Initial

6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

Initial

7. Franchisee acknowledges that it has received the Renovation Sells Franchising, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

Initial

8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.

Initial

9. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

Initial

10. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.

Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE RENOVATION SELLS FRANCHISING, LLC, RENOVATION SELLS HOLDINGS, LLC, RENOVATION SELLS, LLC, MV CONSTRUCTION, LLC, AND ANY OF ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE.

Initial

FRANCHISEE:

PRINCIPAL:

By: _____

(Print Name)

(Print Name, Title)

Date: _____

Date: _____

EXHIBIT GH
STATE ADDENDA

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.

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

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. The Department has determined that either the franchisor has not demonstrated it is adequately capitalized or that the franchisor must rely on franchise fees to fund operations. The Commissioner has imposed a fee deferral.

5. Item 5 is amended to state:

Payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business.

For area development offerings, the portion of the fee attributable to an individual outlet in the development schedule is deferred until after all of franchisor's initial obligations are complete and that outlet is open for business.

6. 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 requires application of the laws of Illinois. This provision may not be enforceable under California law.

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

The Illinois Attorney General requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Illinois Franchise Disclosure Act, 815 ILCS §§ 705/1 et seq. (1987) (the “Act”).

(a) Illinois law shall govern the Agreement(s).

(b) 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.

(c) 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 outside of Illinois.

(d) Any condition, stipulation, or provision purporting to bind a franchisee to waive compliance with any provision of the Act, or any other Illinois law is void. The foregoing requirement, however, shall not prevent a 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.

(e) We will defer collection of the Initial Franchise and Development Fees until we have satisfied our pre-opening obligations to you, and you have commenced business operations. The Illinois Attorney General’s Office imposed this deferral requirement due to our financial condition.

“Commercial Accounts” that conduct business regionally and nationally, exist in this franchise system. The Franchisor reserves the right to negotiate with and service Commercial Accounts. The Franchisor is under no obligation to offer you the opportunity to service a Commercial Account even if it is located in your territory. You will receive no compensation for a Commercial Account that is serviced in your territory.

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

**AMENDMENT TO THE RENOVATION SELLS 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 Renovation Sells Franchise Agreement (the "Franchise Agreement"), the parties thereto agree as follows:

1. Illinois law shall govern the agreements.
2. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

"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."

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:

Section 19 of the Illinois Franchise Disclosure Act sets forth the conditions and notice requirements for termination of a franchise agreement.

Section 20 of the Illinois Franchise Disclosure Act sets forth the conditions of non-renewal of a franchise agreement, and the compensation requirements thereunder.

5. Section 6.1.1 of the Franchise Agreement is hereby amended to state that Franchisor shall defer collection of the Initial Franchise Fee until Franchisor has satisfied its pre-opening obligations to Franchisee, and Franchisee has commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to our financial condition.

6. "Commercial Accounts" that conduct business regionally and nationally, exist in this franchise system. The Franchisor reserves the right to negotiate with and service

Commercial Accounts. The Franchisor is under no obligation to offer you the opportunity to service a Commercial Account even if it is located in your territory. You will receive no compensation for a Commercial Account that is serviced in your territory.

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

IN WITNESS WHEREOF, the parties hereto have duly executed this Illinois Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

RENOVATION SELLS FRANCHISING LLC

By: _____

Michael Valente, CEO

(Print Name, Title)

FRANCHISEE:

By: _____

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO
THE INDIANA FRANCHISE DISCLOSURE LAW AND THE
INDIANA DECEPTIVE FRANCHISE PRACTICES ACT**

The Indiana Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with Indiana law, including the Indiana Franchises Act, Ind. Code Ann. §§ 1 - 51 (1994) and the Indiana Deceptive Franchise Practices Act, Ind. Code Ann. § 23-2-2.7 (1985) (collectively referred to as the "Acts"). To the extent that (a) the jurisdictional requirements of the Acts are met and (b) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

(a) To the extent the Franchise Agreement contains provisions allowing the establishment of franchisor-owned outlets that are inconsistent with the Indiana Deceptive Franchise Practices Act § 23-2-2.7(2), the requirements of this section of the Indiana Act will control.

(b) The franchisor may not make any substantial modification of the Franchise Agreement without the franchisee's written consent.

(c) To the extent any provision regarding renewal or termination of the Franchise Agreement is inconsistent with the Indiana Deceptive Franchise Practices Act §§ 23-2-2.7(7) and (8), the provisions of these sections of the Indiana Act will control.

(d) Any requirement in the Franchise Agreement that requires the franchisee to prospectively assent to a release, assignment, novation, wavier or estoppel shall not relieve any person from liability arising under the Acts.

(e) To the extent the covenants not to compete upon expiration or termination of the Franchise Agreement are inconsistent with the Indiana Deceptive Franchise Practices Act § 23-2-2.7(9), the provisions of this section of the Indiana Act will control.

(f) To the extent that any provision of the Franchise Agreement would be deemed unenforceable pursuant to the Indiana Deceptive Franchise Practices Act § 23-2-2.7(10), as this section of the Indiana Act is interpreted and applied, such provision of the Franchise Agreement shall be so deleted therefrom.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND**

1. Item 17 is amended to state:

(a) Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

(b) Any general release required by the terms and conditions of the Franchise Agreement as a condition of renewal, assignment or transfer shall not apply to any liability under the Maryland Franchise Law.

(c) Our right to terminate you upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq.*).

(d) Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

2. 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.

3. Item 5 of the Disclosure Document is hereby amended to state the following:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

**AMENDMENT TO THE RENOVATION SELLS FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MARYLAND**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated thereunder, the parties to the attached Renovation Sells Franchise Agreement (the "Franchise Agreement") agree as follows:

1. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a franchisee's assent to a release of liability under that Law as a condition for the sale, renewal, assignment or transfer of the franchise. To the extent of any inconsistencies with the Maryland Franchise Registration and Disclosure Law contained in Article 5 or Section 16.3 of the Franchise Agreement, such inconsistent provisions are hereby deleted.

2. To the extent of any inconsistencies, Section 17.1 of the Franchise Agreement is hereby amended to further state:

"Our right to terminate you upon your bankruptcy, however, may not be enforceable under federal bankruptcy law (11 U.S.C. §101 et seq.)."

3. To the extent of any inconsistencies, Section 20.3 of the Franchise Agreement is hereby amended to further state:

"Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland."

4. To the extent of any inconsistencies, Section 20.8 of the Franchise Agreement is hereby amended to further state:

"Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise."

5. The Franchise Agreement is hereby amended to state the following:

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.

6. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

7. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise

Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., are met independently without reference to this Amendment.

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

IN WITNESS WHEREOF, the parties hereto have duly executed this Maryland Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

Renovation Sells Franchising, LLC

By: _____

(Print Name, Title)

FRANCHISEE:

By: _____

(Print Name, Title)

PRINCIPAL:

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MINNESOTA**

The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the "Franchise Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. Items 5 and 7 are hereby supplemented with the following:

Franchisor will defer collection of all initial fees until Franchisor has fulfilled its pre-opening obligations and franchisee is open for business.

2. Item 6, Non-Sufficient Funds Fee, is amended to state:

Pursuant to Minn. Stat. § 604.113, the Non-Sufficient Funds Fee is \$30.00 per occurrence.

3. Item 17 is amended to state:

(a) Minn. Stat. § 80C.21 and Minnesota Rules § 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in this Franchise Disclosure Document or agreement(s) shall abrogate or reduce (1) any of your rights as provided for in Minn. Stat. Chapter 80C or (2) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

(b) In accordance with Minn. Stat. § 80C.14 subd. 3-5, except in certain specified cases, we will give you 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement. Additionally, we will not unreasonably withhold our consent to a transfer of your Franchised Business.

(c) In accordance with Minnesota Rules 2860.4400(D), we cannot require you to assent to a general release.

(d) In accordance with Minnesota Rules 2860.4400(J), we cannot require you to consent to liquidated damages.

(e) Minn. Stat. § 80C.17 subd. 5 requires that an action be commenced pursuant to the Franchise Act within three (3) years after the cause of action accrues.

(f) You cannot consent to us obtaining injunctive relief. We may seek injunctive relief. See Minnesota Rules 2860.4400(J),

**AMENDMENT TO THE
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MINNESOTA**

In recognition of the requirements of the Minnesota Statutes Chapter 80C, the parties to the attached Renovation Sells Franchise Agreement (the "Franchise Agreement") agree as follows:

1. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee's assent to a release other than as part of a voluntary settlement of disputes. To the extent of any inconsistencies with the Minnesota Rules requirement contained in Sections 5.2.5 or 16.3.6 of the Franchise Agreement, such inconsistent provisions are hereby deleted.

2. To the extent of any inconsistencies, Article 5 of the Franchise Agreement is hereby amended to state:

"Except in certain specified cases as set forth in Minn. Stat. § 80C.14 subd. 4, Franchisor will give Franchisee 180 days notice for non-renewal of the Franchise Agreement."

3. Section 6.1.1 of the Franchise Agreement is hereby amended to state that Franchisor shall defer collection of the Initial Franchise Fee until Franchisor has satisfied its pre-opening obligations to Franchisee, and Franchisee has commenced business operations.

4. To the extent of any inconsistencies, Section 6.6 of the Franchise Agreement is hereby amended to state that the non-sufficient funds fee is Thirty Dollars (\$30.00) per occurrence.

5. To the extent of any inconsistencies, Sections 17.1 through 17.3 of the Franchise Agreement are hereby amended to state:

"Except in certain specified cases as set forth in Minn. Stat. § 80C.14 subd. 3, Franchisor will give Franchisee 90 days notice of termination (with 60 days to cure)".

6. To the extent of any inconsistencies, Article 20, Dispute Resolution, of the Franchise Agreement is hereby amended to state:

"Franchisor cannot require Franchisee to: (i) conduct litigation outside Minnesota, (ii) waive a jury trial, or (iii) consent to liquidated damages, termination penalties or judgment notes. Nothing in this Franchise Agreement shall abrogate or reduce (1) any of Franchisee's rights as provided for in Minn. Stat. Chapter 80C or (2) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Franchisee cannot consent to Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief."

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Statutes Chapter 80C are met independently without reference to this Amendment.

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

FRANCHISOR:

RENOVATION SELLS FRANCHISING, LLC

By: _____

(Print Name, Title)

FRANCHISEE:

By: _____

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (5) years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six (6) months' advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
- (i) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
- (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Katharyn Barron
525 W. Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 335-7567

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE
STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for franchisee to renew or extend,**” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”: You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

**NEW YORK RIDER TO
FRANCHISE AGREEMENT**

THIS RIDER TO THE FRANCHISE AGREEMENT FOR NEW YORK (“Rider”) is entered into by and between Renovation Sells Franchising, LLC, an Illinois limited liability company, with its principal office at 2370 N. Elston Avenue, Chicago, Illinois 60614 (“we,” “us” or “our”) and _____ (“you” or “your”), whose principal business address is _____.

WHEREAS, we and you have entered into a certain Franchise Agreement dated _____ which grants you the right to operate a Renovation Sells franchise (the “Franchise Agreement”);

WHEREAS, you are domiciled in New York and the Renovation Sells franchise will be located in New York, and/or any of the offering or sales activity relating to the Franchise Agreement occurred in the State of New York; and

WHEREAS, in recognition of the requirements of the General Business Law of the State of New York, Article 33, Sections 680-695, we and you desire to amend certain terms of the Franchise Agreement in accordance with the terms and conditions contained in this Rider.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in the Franchise Agreement and this Rider and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, we and you agree as follows:

1. Sections 5.2.5 and 16.3.6 of the Franchise Agreement are amended by adding the following language to each Section:

However, to the extent required by applicable law, notwithstanding the signing of a General Release, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force.

2. Section 16.1.1 of the Franchise Agreement is amended by adding the following language to this Section:

However, to the extent required by applicable law, Franchisor will not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee will be able to perform the Franchisor’s obligations under the Franchise Agreement, in Franchisor’s good faith judgment.

3. Section 20.3 of the Franchise Agreement is amended by adding the following language:

New York Law governs any cause of action which arises under the New York General Business Law, Article 33, Sections 680-695. The provisions of this Franchise Agreement shall not be deemed a waiver of any rights conferred upon Franchisee by Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

4. In the event of any conflict between a provision of the Franchise Agreement and this Rider, the provision of this Rider shall control. All terms which are capitalized in this Rider and not otherwise defined, will have the meanings given to them in the Franchise Agreement. Except as amended by this Rider, the Franchise Agreement is unmodified and in full force and effect in accordance with its terms.

5. Each provision of this Rider will be effective only to the extent that the jurisdictional requirements of the New York General Business Law, Article 33, Sections 680-695 are met independent of this Rider.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

The parties hereto have duly executed this New York Rider to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

RENOVATION SELLS FRANCHISING, LLC

By: _____

Michael Valente, CEO
(Print Name, Title)

FRANCHISEE:

By: _____

_____, _____
(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The State of North Carolina has not reviewed and 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.

If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled. (N.C.G.S. §66-95)

Effective Date: _____

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

[FRANCHISOR]

By: _____
Name: _____
Title: _____

FRANCHISEE:

DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement and Area Development Agreement effectively amends and revises said documents as follows:

1. Item 17(c) of the Disclosure Document and Article 2.2 of the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document, Article 17.3 of the Franchise Agreement and Article 8.3 of the Area Development Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document, Article 16 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(u) of the Disclosure Document, Articles 25.2 and 25.3 of the Franchise Agreement and Article 14 of the Area Development Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Article 25.6 of the Franchise Agreement and Article 14 of the Area Development Agreement which require jurisdiction of courts in the State of Florida are deleted.

6. Item 17(w) of the Disclosure Document, Article 25.1 of the Franchise Agreement and Article 14 of the Area Development Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

7. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Article 25.6 of the Franchise Agreement and Article 14.6 of the Area Development Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 25.4 of the Franchise Agreement and Article 14 of the Area Development Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

10. In the State of North Dakota only, we will defer the payment of the initial franchise fee, development fee and any other initial payment until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following statement is added to Item 5:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement.

The following statements are added to Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a Franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

**ADDENDUM TO THE
FRANCHISE AGREEMENT REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

To the extent of any inconsistencies, Section 6.1.1 of the Franchise Agreement is hereby amended to state:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement.

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

The parties hereto have duly executed this Virginia Addendum to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

RENOVATION SELLS FRANCHISING, LLC

By: _____

Michael Valente, CEO
(Print Name, Title)

FRANCHISEE:

By: _____

(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

[Continued on Following Page]

The following Risk Factor is added to the Franchise Disclosure Document:

Use of Franchise Brokers. The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own

investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

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AMENDMENT TO THE
RENOVATION SELLS FRANCHISING, LLC
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

[Continued on Following Page]

With regard to Section 6.1.1 of the Franchise Agreement, the following language is added:
For Franchisees established in the State of Washington, Franchisor shall defer the collection of the Initial Franchise Fee until the franchisor has fulfilled its initial pre-opening obligations to the franchisee and the franchisee is open for business.

With regard to Exhibit 9 to the Franchise Agreement, the following language is added:
This General Release does not apply to claims that arise under the Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220.

[Signature Page to Follow]

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

FRANCHISOR:

Renovation Sells Franchising, LLC

By: _____

Michael Valente _____, CEO
(Print Name, Title)

FRANCHISEE:

By: _____

_____, _____
(Print Name, Title)

PRINCIPAL:

(Print Name)

PRINCIPAL:

(Print Name)

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:—California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registrations in the following states having franchise disclosure laws, with the following effective dates:

<u>STATE</u>	<u>EFFECTIVE DATE</u>
California	PENDING
Illinois	October 13, 2023 PENDING
Indiana	_____ PENDING
Maryland	PENDING
Michigan	April 28, 2023 PENDING
Minnesota	PENDING
New York	PENDING
Rhode Island	June 8, _____ PENDING 2023
Virginia	_____ PENDING
Washington	PENDING
Wisconsin	May 18, _____ PENDING 2023

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT H

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Renovation Sells Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Renovation Sells Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Michael Valente 2370 N. Elston Avenue Chicago, IL 60614 773-217-0581	Amanda Valente 2370 N. Elston Avenue Chicago, IL 60614 773-217-0581	Brand ONE Franchise Development 15716 Eagleview Drive Charlotte, NC 28278 704-577-5302
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Issuance Date: April ~~28~~, 30, 2024~~2023~~

I received a Disclosure Document dated _____, that included the following Exhibits:

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process

EXHIBIT B: Franchise Agreement with Attachments 1 – 8

EXHIBIT C: Financial Statements of Renovation Sells Franchising, LLC

EXHIBIT D: Operations Manual Table of Contents

EXHIBIT E: Outlets as of the date of this Disclosure Document

EXHIBIT F: General Release

EXHIBIT G: Franchisee Acknowledgement Statement

EXHIBIT ~~G~~H: State Addenda

EXHIBIT H: Receipt

Date Received: _____
(If other than date signed)

DATE: _____

Print Name: _____

Print Address: _____

City, State: _____

(Signature of recipient)

Please return signed receipt to Renovation Sells Franchising, LLC,
2370 N. Elston Avenue
Chicago, IL 60614

EXHIBIT H

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Renovation Sells Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Renovation Sells Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Michael Valente 2370 N. Elston Avenue Chicago, IL 60614 773-217-0581	Amanda Valente 2370 N. Elston Avenue Chicago, IL 60614 773-217-0581	Brand ONE Franchise Development 15716 Eagleview Drive Charlotte, NC 28278 704-577-5302
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Issuance Date: April ~~28, 2023~~ 30, 2024

I received a Disclosure Document dated _____, that included the following Exhibits:

- EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
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- EXHIBIT ~~G~~ H: State Addenda
- EXHIBIT ~~H~~ I: Receipt

Date Received: _____
(If other than date signed)

DATE: _____

Print Name: _____

Print Address: _____

City, State: _____

(Signature of recipient)

KEEP FOR YOUR RECORDS