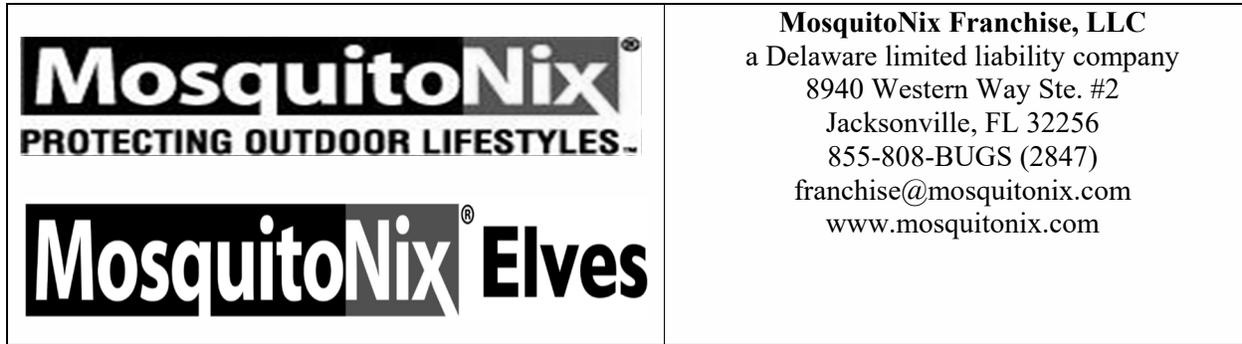


FRANCHISE DISCLOSURE DOCUMENT



The franchise is for a stand-alone ~~or conversion~~ business, or potentially a refranchised business, that (1) sells, installs, applies and services MosquitoNix integrated residential and commercial mosquito and other indoor and outdoor pest management systems and related fogging, spraying, baiting and trapping applications under the MosquitoNix trademark and other Proprietary Marks and (2) sells, installs and services holiday lighting displays and decorations under the MosquitoNix Elves trademark and other Proprietary Marks (collectively, the “Business”).

The total investment necessary to begin operation of a stand-alone ~~or conversion~~ Business for a single Territory ranges from \$120,900 to \$155,900. This includes \$71,500 to \$72,500 that must be paid to us or purchased from our affiliate, MQX Products, LLC. The total investment necessary to begin operation of a single new Refranchised Business ranges from ~~\$5,950~~ \$7,700 to \$106,900. This includes \$0 to \$23,500 that must be paid to us or our affiliate, MQX Products, LLC, but does not include the asset purchase costs for the Refranchised Business.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Mike O’Neal, at 8940 Western Way, Suite #2, Jacksonville, Florida 32256, 855-808-BUGS (2847).

The terms of your contract will govern your franchise relationship. Do not 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.

Date of Issuance: March 20, 2024

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration or litigation only in Texas. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Texas than in your own state.
2. **Early State of Development/Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is ~~like~~likely to be a riskier investment than a franchise in a system with a ~~long~~longer operating history.
3. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
4. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
5. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments, may result in termination of your franchise and loss of your investment.
6. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

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Exhibits

- Exhibit A – Financial Statements
- Exhibit B – Franchise Agreement (with attachments and exhibits)
- Exhibit C – List of Franchised Outlets
- Exhibit D – List of Franchisees Who Have Left the System
- Exhibit E – Brand Standards Manual Table of Contents
- Exhibit F – Form of Refranchising Asset Purchase Agreement
- Exhibit G – Form of General Release
- Exhibit H – State Administrators/Agents for Service of Process
- Exhibit I – State Addenda to Franchise Disclosure Document
- Exhibit J – State Effective Dates

provided under FEMO FS's then current franchise offering. The last known principal business address of FEMO FS was 2150 Chenault Drive, Carrollton, Texas 75006.

Our affiliate, MQX Products, LLC ("MQX Products"), a Delaware limited liability company formed on June 26, 2023, sells the MosquitoNix-specific pest management systems and related fogging, spraying, baiting and trapping applications and related MosquitoNix-specific holiday lighting and décor items (collectively, the "MosquitoNix Pest and Holiday Lighting Systems") to our affiliates who operate company-owned Businesses and to our franchisees. MQX Products does not currently offer or sell MosquitoNix Pest and Holiday Lighting Systems to any third-party pest control businesses directly or through alternative means of distribution, including through the internet, in retail locations and through product distribution lines, but MQX Products reserves the right to do so in the future.

The predecessor to MQX Products was FEMO Products, LLC ("FEMO Products"), which sold an earlier version of the MosquitoNix Pest and Holiday Lighting Systems now being offered and sold by MQX Products to prior company-affiliated and franchised Businesses from January 2008 to May 2023.

Neither MQX Products nor FEMO Products ever offered franchises in any line of business and have never conducted a business of the type being offered in this disclosure document. Neither MQX Products nor FEMO Products has any other business activities other than the offer and sale of the MosquitoNix Pest and Holiday Lighting Systems.

Our affiliate, Liberty Distribution, LLC, a Michigan limited liability company formed on September 22, 2017, that has its principal business address at 106 E Liberty Street, Ann Arbor, MI 48104, provides indirect services to our franchisees by providing a purchasing portal to order Required Purchases (as defined below).

We also have a series of affiliates that operate our company-affiliated Businesses, including FEMO Jacksonville LLC, FEMO Orlando LLC and FEMO WC Florida LLC, which are all Florida limited liability companies, and FEMO North Dallas, LLC, FEMO Mid-Cities LLC and FEMO Hilton Head LLC, which are all Texas limited liability companies. All of these affiliates share our same principal business address.

The Franchise

We offer franchises for businesses that will both (1) sell, install, apply and service MosquitoNix integrated residential and commercial mosquito and other indoor and outdoor pest management systems and related fogging, spraying, baiting and trapping applications (the "MosquitoNix Business") and (2) sell, install and service holiday lighting displays and decorations (the "MosquitoNix Elves Business") (collectively, the "Business"), all under the Business system (the "System") and MosquitoNix and MosquitoNix Elves trademarks, as well as other trade names, service marks, trademarks, logos, and commercial symbols we authorize (collectively, the "Marks").

MosquitoNix Businesses typically target mosquitos as well as other pests that include certain types of flies, ticks, ants (including carpenter, fire and pharaoh ants) bees, wasps, hornets, centipedes, millipedes, cockroaches, crickets, earwigs, ground beetles, pill bugs, rats, mice, spiders, sowbugs, silverfish, fleas, wasps, certain types of bees, moths, carpet beetles, pantry pests, midges/no see ums, bed bugs and mites. MosquitoNix Businesses do not target termites. See Item 13.

MosquitoNix Elves Businesses typically target the same customers who purchase mosquito or other pest control business services.

~~Businesses may be operated as a stand-alone business, or as a conversion of an existing mosquito or other pest control and/or holiday lighting business. We do not anticipate the initial fees or initial investment to differ between a new stand-alone business or a conversion business.~~

We offer you the opportunity to enter into a single franchise agreement (“Franchise Agreement”). Our current form of Franchise Agreement is attached as Exhibit B to this disclosure document. The franchise gives you the exclusive right to operate a Business in a designated geographic area (the “Territory”).

We do not currently permit you to purchase a MosquitoNix Business or MosquitoNix Elves Business without the other.

We may offer you the right to acquire and operate one or more existing company-affiliated Business(es) in Florida, South Carolina and Texas from us or our affiliates (each a “Refranchised Business”). These company-affiliated Businesses are operated in Territories of approximately the size offered to new ~~and conversion~~ franchises under this disclosure document. In addition to signing a Franchise Agreement for each Refranchised Business, you must sign an agreement (“Refranchising Asset Purchase Agreement”) for the purchase of the assets of each Refranchised Business you acquire from us or our affiliate. The Asset Purchase Agreement (Sale) is attached to this disclosure document as Exhibit F.

~~You must employ a person we approve of and who has completed the instruction we provide as your Operations Manager to manage the operation of your Business. The Operations Manager may be one of your owners, but need not be. If you have an Existing Business, the same person who manages your Existing Business may transition to serve as the Operations Manager of your Business. You must also employ a certified applicator for your MosquitoNix Business.~~

~~Your Principal Owners (defined in the Franchise Agreement) must sign a Guaranty and Assumption Agreement (“Guaranty”) guaranteeing your performance under the Franchise Agreement and binding themselves individually to certain provisions of the Franchise Agreement, like the covenants against competition and those restricting disclosure of confidential information, restrictions on transfer, and dispute resolution procedures. Your Minority Owners (defined in the Franchise Agreement) and any non-owner Operations Manager are not required to guarantee your performance but must sign separate undertakings in the forms attached to the Franchise Agreement.~~

Competition

The market for residential and commercial mosquito and other indoor and outdoor pest control services is partially seasonal (Spring, Summer and Fall) and highly competitive and includes locally owned and large regional and national chains. You may have to compete with other businesses including franchised operations, landscape operations, national chains and independently owned companies offering outdoor misting, general pest control, spraying, bombing, fumigating and other systems and services for pest elimination and control to residential and commercial customers.

The market for holiday lighting displays and decoration installation and servicing is seasonal (winter holidays) and generally more local in nature and includes local handymen and artisans but continues to develop.

Industry-Specific Regulation

There are specific regulations pertaining to the mosquito and pest control business and you must comply with all local and state pesticide codes and regulations and all Environmental Protection Agency ("EPA") and other environmental regulations pertaining to the use, disposal and storage of pesticides. You may be required by local and state authorities to obtain certain permits, registrations, certifications or licenses to operate a Business. You must obtain all required licenses and permits and ensure that your employees and others providing pest elimination and control services to customers on behalf of your Business have all required licenses and permits.

Certain jurisdictions require every employee involved in the application of pesticides to be trained and tested, and you must ensure compliance with all such requirements. In other jurisdictions, you must have

at least 2 years of experience to qualify for an individual pesticides license. If you are located in any of those jurisdictions and do not have the required experience, you must hire at least one individual with the necessary license or partner with an individual with the necessary license. The failure to maintain the proper licensing and permits is a material breach of the Franchise Agreement.

We are not specifically aware of federal or state regulations specific to the holiday lighting and décor business, but you may have certain regulations specific to your own geographic area. If you have a large trailer for your Business, you may need to have a specific type of driver's license in your area.

We recommend that you check with your state and local agencies to determine which laws apply to the operation of a Business in your area. You should consider these laws and regulations when evaluating your purchase of a franchise.

ITEM 2 BUSINESS EXPERIENCE

Mike O'Neal, President

Mike O'Neal has served as our President since our formation in June 2023. Mr. O'Neal has also served as President of FEMO Group since April 2019 and Operating Partner of our affiliate and immediate predecessor FEMO Jacksonville and our parent FEMO Group since March 2016 to March 2019. Prior to that Mr. O'Neal served as General Manager of FEMO Texas from May 2012 to February 2016.

Jennifer O'Neal, Vice President of Operations

Jennifer O'Neal has served as our Vice President of Operations since our formation in June 2023. Mrs. O'Neal has served as Operating Partner of our affiliate and immediate predecessor FEMO Jacksonville since March 2016.

Jennifer Gracheck, Vice President of Marketing

Jennifer Gracheck has served as our Vice President of Marketing since our formation in June 2023. Mrs. Gracheck has served as Vice President of Marketing of our affiliate and immediate predecessor FEMO GFS and our parent FEMO Group since March 2016.

F. Dan O'Neal, Board Member

F. Dan O'Neal has served as our Board Member since our formation in June 2023. Mr. O'Neal has served as the Chief Executive Officer of our affiliate and immediate predecessor FEMO Group since their formation in January 2012 to April 2019, and of our affiliate and past predecessor FEMO FS and its parent FEMO Holdings since their formation in February 2006.

John Rotche, Board Member

Mr. Rotche has been a Board Member since our formation in June 2023. Mr. Rotche has served as Chief Executive Officer of Franworth, LLC in Ann Arbor, Michigan since January 2015.

Dave Keil, Board Member

Mr. Keil has served as Franworth's President and Chief Operating Officer since July 2019. He serves in this capacity in Ann Arbor, Michigan. Previously, from March 2018 through July 2019 and also in Ann Arbor, Michigan, Mr. Keil served as The Lash Lounge Franchise's Chief Executive Officer. Previously, from January 2017 to February 2018, Mr. Keil served as Chief Executive Officer of Pure Barre, LLC in Denver, Colorado.

4	\$44,000	\$186,000
5	\$44,000	\$230,000
6	\$39,000	\$269,000
7	\$39,000	\$308,000
8	\$39,000	\$347,000
9	\$39,000	\$386,000
10 and above	\$35,000	\$421,000

Each Business must be operated pursuant to its own Franchise Agreement.

Initial Training

Prior to opening, you will pay to us a \$7,000 initial training fee (“Initial Training Fee”) for our initial training program (“Initial Training Program”). The Initial Training Fee is due at the time you execute the Franchise Agreement and is not refundable under any circumstances. The Initial Training Fee is uniformly imposed for all franchisees. This Initial Training Fee is due only in connection with your first Territory. The Initial Training Fee includes five (5) days of technical training in Jacksonville, Florida and three (3) days of virtual business training.

Opening Package Purchase Requirement

Within 30 days after all required personnel complete our Initial Training Program and, in all cases, before you open your Business, you must purchase from MQX Products a minimum order of \$13,500 to \$14,500 of MosquitoNix Pest and Holiday Lighting Systems, uniforms and yard signs. The purchase price must be paid on shipment and is non-refundable.

Pre-Opening Marketing Material Purchase Requirement

Within 30 days after all required personnel complete our Initial Training Program and in all cases before you open your Business, you must purchase from us printed marketing materials. The cost of these items is \$2,000, and it is non-refundable. These items consist of an initial supply of printed marketing materials.

Refranchised Business

If you purchase a Refranchised Business, you must purchase the assets of the Refranchised Business from us or our affiliate under the terms of the Refranchising Asset Purchase Agreement attached to this disclosure document as Exhibit F. The payment for the assets of a particular Refranchised Business will vary based on the existing customers and related prior revenues of the Refranchised Business, the amount, type, and age of the equipment to be purchased, and other factors. See Item 7.

If you purchase a Refranchised Business, you will not pay an initial franchise fee, but depending on your experience and/or existing inventory you may be required to pay an Initial Training Fee, purchase a minimum order of \$13,500 to \$14,500 of MosquitoNix Pest and Holiday Lighting Systems, uniforms and yard signs and/or purchase printed materials from us.

We have not previously offered franchises for the operation of Refranchised Businesses. The payments for your purchase of the assets of each Refranchised Business are nonrefundable.

ITEM 6 OTHER FEES

Fees⁽¹⁾	Amount	Due Date	Remarks
Royalty Fee	The greater of:	By 5 pm (CST) on the first	Gross Sales means all revenue from sales of the Business, including amounts

Fees ⁽¹⁾	Amount	Due Date	Remarks																																
	<p>(1) a percentage of Gross Sales of the Business achieved during the immediately preceding week during the applicable Agreement Year based on the following chart:</p> <table border="1" data-bbox="300 373 813 583"> <thead> <tr> <th>Gross Sales per Agreement Year</th> <th>Percentage of Gross Sales</th> </tr> </thead> <tbody> <tr> <td>\$0 to \$500,000</td> <td>10%</td> </tr> <tr> <td>\$500,001 to \$600,000</td> <td>9%</td> </tr> <tr> <td>\$600,001 to \$700,000</td> <td>8%</td> </tr> <tr> <td>\$700,001 and above</td> <td>7%</td> </tr> </tbody> </table> <p>OR</p> <p>(2) a minimum weekly royalty fee for such week for the applicable Agreement Year based on the following chart:</p> <table border="1" data-bbox="306 821 797 1640"> <thead> <tr> <th>Agreement Year</th> <th>Minimum Weekly Royalty Fee</th> </tr> </thead> <tbody> <tr> <td>Agreement Year 1</td> <td>\$0</td> </tr> <tr> <td>Agreement Year 2</td> <td>\$137.50</td> </tr> <tr> <td>Agreement Year 3</td> <td>\$162.50</td> </tr> <tr> <td>Agreement Year 4</td> <td>\$187.50</td> </tr> <tr> <td>Agreement Year 5</td> <td>\$212.50</td> </tr> <tr> <td>Agreement Year 6</td> <td>\$237.50</td> </tr> <tr> <td>Agreement Year 7</td> <td>\$262.50</td> </tr> <tr> <td>Agreement Year 8</td> <td>\$287.50</td> </tr> <tr> <td>Agreement Year 9</td> <td>\$312.50</td> </tr> <tr> <td>Agreement Year 10</td> <td>\$387.50</td> </tr> </tbody> </table>	Gross Sales per Agreement Year	Percentage of Gross Sales	\$0 to \$500,000	10%	\$500,001 to \$600,000	9%	\$600,001 to \$700,000	8%	\$700,001 and above	7%	Agreement Year	Minimum Weekly Royalty Fee	Agreement Year 1	\$0	Agreement Year 2	\$137.50	Agreement Year 3	\$162.50	Agreement Year 4	\$187.50	Agreement Year 5	\$212.50	Agreement Year 6	\$237.50	Agreement Year 7	\$262.50	Agreement Year 8	\$287.50	Agreement Year 9	\$312.50	Agreement Year 10	\$387.50	<p>business day of each week for the immediately preceding week.</p>	<p>received from the sale of products and services of every kind and nature, and whether from cash, check, credit card or credit transactions. Gross Sales does not include (i) bona fide refunds to customers that are specifically authorized by us (ii) sales taxes collected (iii) discounts, coupons, and promotions, or (iv) sales of prepaid cards or similar products.</p> <p>You must pay the Royalty Fee by electronic funds transfer.</p> <p>The obligation to pay Royalty Fees being the earlier of (i) the date you begin operating the Business or (ii) a maximum of 90 days after the execution of the Franchise Agreement by us.</p> <p>We define an Agreement Year as each 12-month period during the term of the Franchise Agreement, beginning on the first day of the month following the Opening Date and continuing until the expiration or termination of the Franchise Agreement. A partial Agreement Year between the end of the last full Agreement Year and the termination or expiration of this Agreement will also constitute a separate Agreement Year.</p> <p>In all cases, the Royalty Fee is paid on a per Business/Territory basis with no consolidation of multiple Territories.</p>
Gross Sales per Agreement Year	Percentage of Gross Sales																																		
\$0 to \$500,000	10%																																		
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Agreement Year 10	\$387.50																																		
Brand Development Fund	Currently 2% of Gross Sales, but we may increase the Brand Development Fund up to 3% of Gross Sales on 60 days' notice.	Payable Weekly.																																	
Customer Acquisition Commission	8% of your Gross Sales for single new sale of QuickNix application, misting system installation, system warranty upgrade, pest control application, or holiday lighting displays and decorations and installations	When invoiced.	<p>The Customer Acquisition Center will provide a video consultation to your qualified customer prospects. <u>is a full time sales team which relieves the franchisee from hiring a sales team. See Item 8.</u></p>																																

Fees ⁽¹⁾	Amount	Due Date	Remarks								
Local Marketing Requirement	<p>\$42,000 during your first Agreement Year, and then each Agreement Year thereafter an amount based on your Gross Sales during the immediately preceding Agreement Year:</p> <table border="1" data-bbox="300 338 816 579"> <thead> <tr> <th>Gross Sales During Prior Agreement Year</th> <th>Minimum Local Marketing Requirement</th> </tr> </thead> <tbody> <tr> <td>\$0 to \$500,000</td> <td>\$42,000</td> </tr> <tr> <td>\$500,001 to \$700,000</td> <td>\$21,000</td> </tr> <tr> <td>\$700,001 and above</td> <td>\$16,800</td> </tr> </tbody> </table> <p>If you have multiple contiguous Territories under additional franchise agreements with us, then your Local Marketing Requirement for each contiguous Territory will be \$15,000 per contiguous Territory.</p>	Gross Sales During Prior Agreement Year	Minimum Local Marketing Requirement	\$0 to \$500,000	\$42,000	\$500,001 to \$700,000	\$21,000	\$700,001 and above	\$16,800	To be spent annually according to marketing plan recommended by us.	You must promote your Business within your Territory. All Marketing materials that you propose to use need to be approved.
Gross Sales During Prior Agreement Year	Minimum Local Marketing Requirement										
\$0 to \$500,000	\$42,000										
\$500,001 to \$700,000	\$21,000										
\$700,001 and above	\$16,800										
Technology Fee	An annual amount we set for each calendar year based on our then current estimated costs payable in installments each week; currently \$75 per week	Payable Weekly.	The Technology Fee is for technology-based innovation expenditures that we deem valuable investments for the System, which may include new Technology and Information Systems, mobile training and operational performance software, cloud-based franchise-management solutions, IT phone support and database maintenance, digital marketing, online ordering and loyalty subscriptions, iPad mobile device management, and e-learning solutions loyalty programs, Customer surveys and other operational functions for your service vehicle.								
<u>Purchases from MQX Products</u>	<u>The then current price charged to franchisees for the array of MosquitoNix Pest and Holiday Lighting Systems, uniforms and yard signs and related marketing materials needed for your Business.</u>		<u>You must purchase from MQX Products your continuing MosquitoNix Pest and Holiday Lighting Systems, uniforms and yard signs for your Business.</u>								
Regional Advertising Cooperative	Currently none, but if established, up to 2% of your Gross Revenue.	As arranged	Payable only if we implement a Regional Advertising Cooperative. If implemented, you will pay no less than 1% and no more than 2% of Gross Sales. Cooperative payments shall count toward your Local Marketing Requirement								
Special Promotional Programs	<u>Varies An amount based on your pro-rata assessment of the cost of the program, generally ranging from \$250 to \$2,500</u>	When invoiced.	You must participate in special sales programs or other promotional activities (like joint advertising programs) that we develop for Businesses generally. Any associated costs are in addition to your required Local Marketing Requirement.								

Fees⁽¹⁾	Amount	Due Date	Remarks
Initial Training Fee	\$7,000	When invoiced.	Before you open the Business, you and/or your Operations Manager and any of your owners whom we require must have attended and satisfactorily completed to our satisfaction our orientation and Initial Training Program for the Business. The Initial Training Program includes 5 days of Technical Training in Jacksonville, FL and 3 days of Virtual Business Training.
Additional Training; Replacement Personnel Training; and On-site Remedial Training	Our then current daily training fee; plus trainer's travel expenses. Current \$350 per day for on-site training; and \$1,500 per additional attendee for Technical Training.	When invoiced.	If you request that we provide additional training or if we determine additional training is necessary, you must pay our daily rate for each trainer we send, and you must reimburse each trainer's expenses, including travel, lodging and meals. All additional training is at our discretion.
Transfer Fee	\$10,000 ⁽²⁾	When invoiced.	Paid only for transfers by you or a Principal Owner.
Securities Offering Fee	Our reasonable costs to review the proposed offering, <u>but capped at \$5,000</u>	When invoiced.	We limit our review to the manner in which the offering materials treat your and our relationship.
Renewal Fee	\$10,000	On renewal.	
Convention Fee	Currently, \$1,000 per attendee	When invoiced.	You must send one person to attend our annual conventions (if applicable) per Territory, and you must pay the Convention Fee.
Supplier Approval Fee	Our reasonable expenses, <u>but capped at \$5,000</u>	When invoiced.	Payable only if you ask us to approve an item or supplier not currently approved.
Re-Inspection Fee	Cost of re-inspection	When invoiced.	Paid only if you fail to correct deficiencies noted in our original inspection.
Audit Fee	Cost of audit	When invoiced.	Paid only if an audit shows you have understated Gross Sales or any amount owed to us by 2% or more or if there is a discrepancy of 5% or more from any other data you report to us.
Insurance Fee	A reasonable amount based on our expenses <u>Our actual third party costs incurred plus \$500 per month for each month we secure insurance for you</u>	When invoiced.	Payable only if you fail to maintain the required insurance, and we secure it for you. We have no obligation to obtain insurance for you. You must also pay the cost of the insurance.
Late Report Fee	\$200 per late report	When invoiced.	Payable if you fail to submit a weekly Gross Sale report on the first business day of the week.
Interest	1.5% per month or the maximum lawful rate	When invoiced.	Payable only if you fail to pay amounts due on time.
Tax Adjustment	The amount of the tax	When invoiced.	Payable only if the imposition of a tax (excluding an income tax on our income)

Fees ⁽¹⁾	Amount	Due Date	Remarks
			would decrease the amount of the Initial Franchise Fee and Royalty Fee that we are entitled to receive under the Franchise Agreement.
Indemnification	Varies An amount equal to our actual losses and expenses arising from the underlying matter for which you are required to indemnify us.	On demand.	You must indemnify us against third party claims relating to your Business.
Liquidated Damages	If the Business has been operating as a Business for at least 1 year, the sum of the average of the monthly Brand Development Fee, Technology Fee, and Royalty Fee payable to us under the Franchise Agreement over the immediately preceding 1 year, multiplied by the number of months that would then otherwise remain in the then-current term of the Franchise Agreement; or If the Business was not opened with our authorization or has not been operating as a Business for at least 1 year and the Franchise Agreement is terminated, you must promptly pay to us liquidated damages in an amount equal to \$50,000	On demand.	Payable if the Franchise Agreement is terminated by us for any reason.
Enforcement Costs	Our cost to enforce the Franchise Agreement	On demand.	These costs include legal and court costs and reasonable attorney's fees. Payable only if you do not comply with the Franchise Agreement.
Administrative Default Fee	\$100 per occurrence, \$100 per week until cured	Upon demand	We may charge this fee if you breach any of the terms, conditions, or policies outlined in the Franchise Agreement or the Brand Standards Manual, otherwise fail to comply with our standards and specifications, or use unauthorized products, equipment, or vendors. We will address such matters through compliance reports prepared for non-compliant franchisees with a reasonable cure period.

Notes:

(1) All fees and expenses in this Item 6 are non-refundable and, unless otherwise indicated in the preceding chart, are imposed uniformly by us and are payable to us. Except as otherwise noted, we may increase these amounts based on changes in market conditions, our cost of providing services and future policy changes, but we have no present plans to increase any fees.

(2) You will be responsible for any franchise seller commissions or franchise broker commissions if applicable in your transaction.

**ITEM 7
YOUR ESTIMATED INITIAL INVESTMENT**

For a new Business

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ⁽¹⁾	\$49,000	Lump Sum	Execution of Franchise Agreement	Us
Service Vehicle ⁽²⁾	\$6,200 to \$6,400	Lump Sum and Installments	As Arranged	Supplier
Opening Package ⁽³⁾	\$13,500 to \$14,500	Lump Sum	Prior to Opening	Us
Tools & Equipment ⁽⁴⁾	\$4,000 to \$7,500	Lump Sum	Prior to Opening	Suppliers
Storage Facility Rent ⁽⁵⁾	\$450 to \$1,500	As Arranged	As Invoiced	Supplier
Initial Computer Hardware Package ⁽⁶⁾	\$2,500 to \$3,000	As Arranged	As Invoiced	Suppliers
Insurance ⁽⁷⁾	\$500 to \$2,500	As Arranged	As Invoiced	Insurance Companies
Initial Training Fee ⁽⁸⁾	\$7,000	Lump Sum	Upon execution of the Franchise Agreement	Us
Travel & Living Expenses During Initial Training ⁽⁹⁾	\$1,500 to \$8,500	As airlines, restaurants, hotels etc. require.	As airlines, restaurants, hotels etc. require.	Airlines, restaurants, hotels, etc.
Market Entry Campaign ⁽¹⁰⁾	\$24,000	As Arranged	Within 3 months after you open your business.	Suppliers
Printed Marketing Material ⁽¹¹⁾	\$2,000	As Arranged	Prior to Opening	Suppliers Us
Professional Services ⁽¹²⁾	\$250 to \$5,000	As Arranged	As Invoiced	Attorney; Accountant
Additional Funds for first three months ⁽¹³⁾	\$10,000 to \$25,000	As expenses occur	Prior and after opening	Various
Totals ⁽¹⁴⁾⁽¹⁵⁾	\$120,900 to \$155,900			

Notes:

* This chart reflects the initial investment for a new Business for a single Territory. ~~We have not taken into account a Conversion Program discount, which might be available to you. See below in Note (1) and in Item 5.~~ All fees imposed by us are non-refundable unless otherwise noted. Expenses and fees paid to third parties may or may not be refundable depending on the arrangements you make with them.

(1) The Initial Franchise Fee for a single Business is \$49,000. The Initial Franchise Fee is based on the purchase of one Territory that approximately up to 60,000 single-family households where such households meet an average annual household income of \$100,000 (each a “Targeted Household”) Targeted Household income is determined by available census materials and third-party vendors) The Initial Franchise Fee is paid when you sign the Franchise Agreement and is not refundable. If you purchase additional Territories ~~and/or participate in our Conversion Program or other Discount Programs,~~ we may reduce the Initial Franchise Fee if you meet certain requirements. See Item 5.

(2) You must lease or purchase your vehicle from our preferred vendors. All vehicles must be upfitted as set forth in our Brand Standards Manual. The low and high amount assumes a 10 percent down payment on a leased vehicle with an approximate cost ranging from \$62,000 to \$64,000. (Standard lease agreement assumes 10 percent down payment, 60-month term and 20 percent residual at term-end.) Costs include the costs to apply our required wrap/logo to your vehicle.

(3) Before you open your Business, you must purchase an Opening Package, which includes MosquitoNix Pest and Holiday Lighting Systems, uniforms, and yard signs needed for the operation of your Business. The purchase price must be paid on shipment and is non-refundable.

(4) This estimate includes tools & equipment that you must purchase and use in the operation of your Business.

(5) You are required to lease a storage facility to store your inventory and supplies for your Business. (“Storage Facility”). A typical Storage Facility will be a 200 to 300 square foot self-storage unit located in your Territory convenient to your home. We must accept your proposed Storage Facility site, but we do not specify where your Storage Facility must be located. Local law may require that the Storage Facility be located in a commercial (non-residential) area. You are responsible for determining local law requirement regarding the location of your Storage Facility. If you lease space, you generally will be required to pay first and last month’s rent and a security deposit at the time you enter into the lease.

(6) This amount includes the cost of computer hardware that you must use in the operation of your Business. You will purchase hardware that meets our specifications.

(7) This amount represents an estimate of the down payment & first 3 months on the annual insurance premiums for the insurance coverage described in the Franchise Agreement. Your cost of insurance may vary depending on the insurer, the location of your Business, your claims history, and other factors.

(8) We provide the Initial Training Program for you ~~and up to two additional employees~~ 3 individuals to attend for a fee of \$7,000. For any additional individuals you wish to have attend, or we determine must attend, you will be charged an additional fee of \$1,500 per attendee. You must also pay all expenses you and your personnel incur in initial training, including costs of travel, lodging, meals and wages.

(9) These amounts include only your out-of-pocket costs for the expenses you or your employees incur in the initial training program, like travel to Jacksonville, Florida, lodging, meals and wages. These costs will vary depending upon your selection of salary levels, lodging and dining facilities, mode and distance of transportation. Wages for your personnel while in training are not included.

(10) You must carry out a Market Entry Campaign during the first 3 months when you open for business in the Territory. We must approve all advertising items, methods, and media.

(11) This amount represents the cost for printed marketing materials needed to open your business.

(12) This estimate is for the cost to establish an entity to hold the franchise and review the franchise documentation. The cost of professional services can vary widely.

(13) You will need additional funds during the start-up phase of your business to pay employees, purchase supplies and pay other expenses. We estimate the start-up phase to be 3 months from the date you open for business. These amounts do not include any estimates for debt service. You must also pay the Royalty Fee and other related fees. ~~These figures are estimates, and we cannot assure you that you will not have additional expenses. Your actual costs will depend on factors like your management skills, experience, and business acumen.~~ You should base your estimated start-up expenses on the anticipated costs in your market and consider whether you will need additional cash reserves.

(14) We relied on the experience of our predecessors and key officers who have operated mosquito-specific businesses since 2006 to compile these estimates, including as to the MosquitoNix Elves Business, which began in 2012. ~~You should review these figures carefully with your business advisor before making any decision to purchase the Business.~~

~~Unless otherwise stated above, these estimates are subject to increases based on changes in market conditions, our cost of providing services and future policy changes. At the present time, we have no plans to increase payments we control.~~

Unless otherwise stated, the amounts described above are not refundable.

YOUR ESTIMATED INITIAL INVESTMENT

For a Refranchised Business

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ⁽¹⁾	\$0	Lump Sum	Execution of Franchise Agreement	Us
Service Vehicle ⁽²⁾	\$0 to \$6,400	Lump Sum and Installments	As Arranged	Supplier
Opening Package ⁽³⁾	\$0 to \$14,500	Lump Sum	Prior to Opening	Us
Tools & Equipment ⁽⁴⁾	\$0 to \$7,500	Lump Sum	Prior to Opening	Suppliers
Storage Facility Rent ⁽⁵⁾	\$450 to \$1,500	As Arranged	As Invoiced	Supplier
Initial Computer Hardware Package ⁽⁶⁾	\$0 to \$3,000	As Arranged	As Invoiced	Suppliers
Insurance ⁽⁷⁾	\$500 to \$2,500	As Arranged	As Invoiced	Insurance Companies
Initial Training Fee ⁽⁸⁾	\$0 to \$7,000	Lump Sum	Upon execution of the Franchise Agreement	Us

Travel & Living Expenses ⁽⁹⁾	\$ <u>1,500</u> to \$8,500	As airlines, restaurants, hotels etc. require.	As airlines, restaurants, hotels etc. require.	Airlines, restaurants, hotels, etc.
Market Entry Campaign ⁽¹⁰⁾	\$0 to \$24,000	As Arranged	Within 3 months after you open your business.	Suppliers
Printed Marketing Material ⁽¹¹⁾	\$0 to \$2,000	As Arranged	Prior to Opening	SuppliersUs
Professional Services ⁽¹²⁾	\$ <u>250</u> to \$5,000	As Arranged	As Invoiced	Attorney; Accountant
Additional Funds for first three months ⁽¹³⁾	\$5,000 to \$25,000	As expenses occur	Prior and after opening	Various
Totals⁽¹⁴⁾⁽¹⁵⁾	\$5,950<u>7,700</u> to \$106,900			

Notes:

***This chart only applies if you are purchasing a Refranchised Business. Your Refranchised Business may consist of one or more existing MosquitoNix Business(es) and MosquitoNix Elves Business(es) operated under your Franchise Agreement**

(1) If you purchase a Refranchised Business, there is no initial franchise fee for a refranchised business. subject to a negotiated purchase and sales agreement for the customers in a re-franchised market. If you purchase a Refranchised Business, you must purchase the assets of the Refranchised Business from us or our affiliate under the terms of the Refranchising Asset Purchase Agreement attached to this disclosure document as Exhibit F. The payment for the assets of a particular Refranchised Business will vary based on the existing customers and related prior revenues of the Refranchised Business, the amount, type, and age of the equipment to be purchased, and other factors.

(2) You must lease or purchase your vehicle from our preferred vendors. All vehicles must be upfitted as set forth in our Brand Standards Manual. The low amount assumes you purchase an already approved and operating vehicle for us as part of the Refranchised Business purchase price. The high amount assumes a 10 percent down payment on a leased vehicle with an approximate cost ranging from \$62,000 to \$64,000. (Standard lease agreement assumes 10 percent down payment, 60-month term and 20 percent residual at term-end.)

(3) Before you open your Business, you must purchase an Opening Package, which includes MosquitoNix Pest and Holiday Lighting Systems, uniforms, and yard signs needed for the operation of your Business. The purchase price must be paid on shipment and is non-refundable. The low amount assumes that the Refranchised Business included the items in the Opening Package that meet our Brand Standards.

(4) This estimate includes tools & equipment that you must purchase and use in the operation of your Business. The low amount assumes that the Refranchised Business included the tools and equipment you need.

(5) You are required to a storage facility to store your inventory and supplies for your Business. (“Storage Facility”). Local law may require that the Storage Facility be located in a commercial (non-residential) area. You are responsible for determining local law requirements regarding the location of your Storage Facility. If you lease space, you generally will be required to pay first and last month’s

rent and a security deposit at the time you enter into the lease. The low amount assumes that you assume a prior lease with no additional security deposit requirement.

(6) This amount includes the cost of computer hardware that you must use in the operation of your Business. You will purchase hardware that meets our specifications. The low amount assumes that you will not need to purchase additional hardware and software for the Refranchised Business.

(7) This amount represents an estimate of the down payment & first 3 months on the annual insurance premiums for the insurance coverage described in the Franchise Agreement. Your cost of insurance may vary depending on the insurer, the location of your Business, your claims history, and other factors.

(8) We provide the Initial Training Program for you and up to two additional employees for a fee of \$7,000. The low amount assumes that this is not your first Business and you are therefore not required to attend the Initial Training Program.

(9) These amounts include only your out-of-pocket costs for the expenses you or your employees incur in the initial training program, like travel to Jacksonville, Florida, lodging, meals and wages. These costs will vary depending upon your selection of salary levels, lodging and dining facilities, mode and distance of transportation. Wages for your personnel while in training are not included.

(10) ~~You must~~We generally do not require you to carry out a Market Entry Campaign when you purchase an operating Refranchised Business so the low amount assumes no Market Entry Campaign, but we reserve the right to require you to carry out a Market Entry Campaign during the first 3 months when you open for business in the Territory if we determine it is necessary for your specific Refranchised Business. We must approve all advertising items, methods and media.

(11) This amount represents the cost for printed marketing materials needed to open your business.The low amount assumes you receive a supply of existing printed marketing materials when you purchase your Refranchised Business.

(12) This estimate is for the cost to establish an entity to hold the franchise and review the franchise documentation. The cost of professional services can vary widely, especially with respect to any assistance you obtain to review the Refranchising Asset Purchase Agreement.

(13) Even if you are purchasing a Refranchised Business, you will need additional funds during the start-up phase of your business to pay employees, purchase supplies and pay other expenses. We estimate the start-up phase to be 3 months from the date you open for business. These amounts do not include any estimates for debt service. You must also pay the Royalty Fee and other related fees. ~~These figures are estimates, and we cannot assure you that you will not have additional expenses. Your actual costs will depend on factors like your management skills, experience, and business acumen. You should base your estimated start-up expenses on the anticipated costs in your market and consider whether you will need additional cash reserves.~~

(14) We relied on the experience of our predecessors and key officers who have operated mosquito-specific businesses since 2006 to compile these estimates, including as to the MosquitoNix Elves Business, which began in 2012. You should review these figures carefully with your business advisor before purchasing a Refranchised Business.

~~Unless otherwise stated above, these estimates are subject to increases based on changes in market conditions, our cost of providing services and future policy changes. At the present time, we have no plans to increase payments we control, the amounts described above are not refundable.~~

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You may use only the products, services, supplies, uniforms, marketing materials, inventory, equipment, customer contracts and related forms, computer hardware and software, and signs that we have approved as meeting our specifications and standards for quality, design appearance, function and performance. We have the right to designate or approve suppliers of any of these items. We will give you a list of any approved or designated suppliers and may periodically notify you of revisions to the list. We and our affiliates may be designated or approved as suppliers, and in some cases may be the only designated or approved suppliers. We and our affiliates may receive revenue based on your required purchases, either from selling the items to you or from payments we receive from third party suppliers we designate or approve.

Required Purchases from Us, Our Affiliates or Designated Third Party Suppliers.

MosquitoNix Pest and Holiday Lighting Systems. You must purchase all of your MosquitoNix Pest and Holiday Lighting Systems from MQX Products. For the pest side of your Business, the MosquitoNix Pest and Holiday Lighting Systems currently consists of a controller, pump, motor, risers, nozzles, tubing, chemicals, and other related items and components, and the applications include chemicals. For your holiday lighting and décor businesses, the MosquitoNix Pest and Holiday Lighting Systems currently consists of all lighting and décor items.

MQX Products currently sells the MosquitoNix Pest and Holiday Lighting Systems to you through a portal managed by our affiliate Liberty Distribution, LLC. We or our affiliates will generate revenue from these purchases.

MQX Products does not currently sell any of the MosquitoNix Pest and Holiday Lighting Systems directly to third-party pest control businesses or holiday lighting and décor businesses or through alternative means of distribution, including through the internet, in retail locations and through product distribution lines, but we and they reserve the right to sell the MosquitoNix Pest and Holiday Lighting Systems through alternative means of distribution in the future.

We are currently the only approved vendor for the Customer Acquisition Center (“CAC”). The CAC is a full time sales team which relieves the franchisee from hiring a sales team. The CAC charges a commission for each new sale closing. The CAC will assist a franchisee with prospecting, lead nurturing, follow-ups and cross selling. We manage the training, onboarding and quality control of the CAC team to ensure the franchisees can focus on specific key performance indicators to ensure market growth. You are required to sign up for the CAC program, but you only pay us fees for sales closings for your MosquitoNix Business. The CAC will provide a video consultation to your qualified customer prospects.

Purchases from Approved Suppliers.

Hardware and Ancillary Items. In addition to the MosquitoNix Pest and Holiday Lighting Systems, we are an approved supplier of the hardware and ancillary items that you will need to conduct your Business. We also screen suppliers locally, and you may purchase approved items from any of the local suppliers we have approved.

Standards and Specifications. All items you use in the operation of your Business must meet our standards and specifications, including those described below. If we later approve one or more suppliers for a particular item, you will be required to purchase that item from our approved supplier.

Signage. We have the right to determine whether your signage complies with our specifications and standards but will not unreasonably withhold our approval.

We estimate that your total initial required purchases for a new Business will be about 35% to 50% of the cost of your initial purchases or leases, that your total initial required purchases for a Conversion Program Business will be about 17% to 26% of the cost of your initial purchases or leases and that your total initial required purchases for a Refranchised Business will be about 85% of the cost of your initial purchases or leases. We estimate your required purchases for the operation of the Business will be 26% or more of your annual purchases or leases.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 6.2	Items 8 and 11
b. Pre-opening purchases/leases	Sections 6.1, 6.8, 6.15, 6.16, 8.5 and 9.1 to 9.5	Items 5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	Sections 6.2, 6.7, 8.5, 9.1, and 9.2	Items 1, 7, 8 and 11
d. Initial and ongoing training	Section 6.7	Items 6, 7 and 11
e. Opening	Sections 6.1 and 8.5	Items 7 and 11
f. Fees	Sections 4.1-4.4	Items 5 and 6
g. Compliance with standards and policies/Manuals	Sections 6.17 and 6.19	Items 8, 11, 14 and 16
h. Trademarks and proprietary information	Section 12	Items 11, 13 and 14
i. Restrictions on products/services offered	Sections 2.1 and 6.15	Items 8 and 16
j. Warranty and customer service requirements	Sections 5.8, 6.6, and 6.13	Item 16
k. Territorial development and sales quotas	Section 7	Item 12
l. Ongoing product/service purchases	Section 6.14	Items 8, 11 and 16
m. Maintenance, appearance and remodeling requirements	Sections 6.8 and 6.17	Item 8
n. Insurance	Section 9	Items 7 and 8
o. Advertising	Section 8	Items 6, 8 and 11
p. Indemnification	Section 6.23	Item 6
q. Owner's participation/ management/ staffing	Sections 6.3 and 6.4	Items 1, 11 and 15
r. Records and reports	Section 4.8	Item 11
s. Inspections and audits	Section 6.21	Items 6 and 11
t. Transfer	Section 13	Items 6, 10 and 17
u. Renewal or extension of rights	Section 3.2	Items 6, 12 and 17
v. Post-termination obligations	Sections 15.1 to 15.4	Item 17
w. Noncompetition covenants	Sections 11 and 15.3	Item 17
x. Dispute resolution	Section 17	Item 17

ITEM 10 FINANCING

We do not ~~currently offer you any direct or indirect financing, nor do we receive any payments from any person offering financing to or arranging financing for a prospective franchisee.~~ We do not guarantee your note, lease or ~~any other financial obligation.~~

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, TECHNOLOGY SYSTEMS, AND TRAINING

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

Pre-Opening Obligations: Before you open your Business, we or our designee will:

1. Review the proposed site for your first Storage Facility for minimum compliance with our requirements. (Franchise Agreement, Section 6.2). Factors we use to review and approve a potential Storage Facility include the proximity of the Storage Facility to the area you will service, adequate square footage for inventory and supplies, and your representation that the Storage Facility meets local and federal regulatory requirements for the storage of chemicals. ~~The~~ We will have 30 days after receipt of the foregoing information to approve or disapprove to approve the proposed site as a Storage Facility. The Territory will be determined and described in Exhibit A to the Franchise Agreement before you sign it. The Storage Facility location will be listed in Exhibit A to the Franchise Agreement. We do not generally own or lease the Storage Facility location to you, and we are not required to assist you in selecting a site for a Storage Facility, but you may not use any site for a Storage Facility unless we first ~~accept~~ approve your proposed site in writing. Those we ~~accept~~ approve will be listed in Exhibit A to the Franchise Agreement. You may not relocate a Storage Facility without our prior written consent. If you do not locate an ~~acceptable~~ approvable site and open your Business by the date listed in Exhibit A to the Franchise Agreement, you will be in default, and we can terminate the Franchise Agreement. We will insert the date you must open in Exhibit A before you sign the Franchise Agreement. We do not provide you any assistance with conforming the Storage Facility premises to local ordinances and building codes or obtaining any required permits, and/or constructing, remodeling, or decorating the Storage Facility premises.

2. Provide initial orientation and training to those of your owners and employees that we require to attend training, but we do not provide you any assistance with hiring your employees. (Franchise Agreement, Section 5.1)

3. Provide you with access to our Brand Standards Manual. (Franchise Agreement, Section 5.2). The table of contents of the Brand Standards Manual is attached to this disclosure document as Exhibit E. As of the date of this disclosure document, the Brand Standards Manual contains approximately 250 pages. Our System does not include any personnel policies or procedures or security-related policies or procedures that we (at our option) may make available to you in the Brand Standards Manual or otherwise for your optional use. You will determine to what extent, if any, these policies and procedures might apply to your operations at your Business. ~~We neither dictate nor control labor or employment matters for franchisees and their employees and we are not responsible for the safety and security of the employees, contractors or Customers of your Business. We and you are not joint employers of your employees and other personnel. We do not and will not share or codetermine any of your employees' essential terms and conditions of employment. More specifically, in no case do we have any authority to determine or set your employees': (1) wages, benefits, and other compensation; (2) hours of work and scheduling; (3) the assignment of duties to be performed; (4) the supervision of the performance of duties; (5) work rules and directions governing the manner, means, and methods of the performance of duties and the grounds for discipline; (6) the tenure of employment, including hiring and discharge; and/or (7) working conditions related to the safety and health of employees. You alone have sole authority to determine any or all your employees' essential terms and conditions of employment.~~

4. Consult with you on your Market Entry Campaign (Franchise Agreement, Section 8.4)

5. Provide opening assistance. (Franchise Agreement, Section 5.3)
- ~~6. Give you a list of any approved or designated suppliers. (Franchise Agreement, Section 6.15)~~
7. 6. Make our personnel available for consultation regarding your Business. (Franchise Agreement, Section 5.4)
- ~~8. Make available to you for a fee any computer software that we have developed or acquired for our System. (Franchise Agreement, Section 5.5)~~
- ~~9. Make available to you (directly or through our affiliates) pest management systems, related components, chemicals, products, equipment, supplies, forms, uniforms, advertising materials and other items that we may require for purchase and deliver to you through our affiliate MQX Products a minimum order of MosquitoNix Pest and Holiday Lighting Systems, uniforms and yard signs and make available to you for purchase from us directly and deliver to you your initial set of printed marketing materials (Franchise Agreement, Section 5.6). We will also provide a list of any other then currently approved or designated suppliers. (Franchise Agreement, Section 6.15) Except as noted above, neither we nor our affiliates provide assistance with providing equipment, signs, fixtures, opening inventory, and supplies, or deliver or install such items.~~
9. Manage the training, onboarding and quality control of the CAC team in return for the Customer Acquisition Commission (Franchise Agreement, Section 4.3). See Item 6.

Typical Length of Time Before You Open Your Business:

We estimate that it will be approximately 30 to 90 days from the time you sign the Franchise Agreement to the time you begin operations of a new stand-alone Business ~~and approximately 15 days to 60 days from the time you sign the Franchise Agreement to the time you begin operations of a conversion Business.~~ This time period may be shorter or longer, depending on the modifications that must be made to the site to accommodate your Business. You must open your Business by the date listed in Exhibit A to the Franchise Agreement. (Franchise Agreement, Section 6.1)

If you purchase multiple contiguous franchises at once, then the Exhibit A of the Franchise Agreements for such franchises shall reflect the following:

Opening Period	Number of Franchises/ Territories Opened	Cumulative Open Franchises/Territories
3 months from Effective Date	1	1
3 through 12 months from Effective Date	2	3
13 through 18 months from Effective Date	2	5
19 through 24 months from Effective Date	4	10

Continuing Obligations: After your Business opens, we or our designee will:

1. Review any new proposed sites for Storage Facilities for compliance with our requirements. (Franchise Agreement, Section 6.2)
2. In our discretion, develop special sales and other promotional programs. When appropriate, we will list you in any advertising and sales promotional materials we develop. (Franchise Agreement, Sections 8.6 and 5.7)

3. Review your local marketing materials for compliance with our standards. (Franchise Agreement, Section 8.3)
4. In our discretion, establish and administer a national accounts program and group purchasing programs for our System and a warranty program (through MQX Products, LLC) for MosquitoNix customers. (Franchise Agreement, Sections 5.8, 6.11, 6.12 and 6.13)
5. Establish an Internet website that provides information about our System and the products and services offered by Businesses. (Franchise Agreement, Section 6.18)
6. In our discretion, establish an intranet to facilitate communications within the MosquitoNix franchise network (currently operated through WiseTail). (Franchise Agreement, Section 6.18)
7. Make our personnel available for consultation regarding your Business. (Franchise Agreement, Section 5.4)
8. In our discretion, make available to you for a fee any Technology and Information Systems that we have developed or acquired for our System. (Franchise Agreement, Section 5.5)
9. Make available to you (directly or through our affiliates) the MosquitoNix Pest and Holiday Lighting Systems as well as other products, equipment, supplies, forms, advertising materials and other items that we may require from time to time. (Franchise Agreement, Section 5.6)
10. Give you access to any non-confidential data we believe is reasonably necessary to enable you to prepare reports for your Business. (Franchise Agreement, Section 5.9)
11. Update any lists of designated or approved suppliers. (Franchise Agreement, Section 6.15)
12. Provide any additional training programs that we determine to be appropriate. (Franchise Agreement, Section 6.7)
13. At our option and for a fee, provide on-site remedial training and any training you request in addition to that which we believe is reasonably needed. (Franchise Agreement, Section 6.7)
14. To the fullest extent allowed by applicable law, establish or suggest maximum, minimum or other pricing requirements with respect to the prices that you may charge for products or services. (Franchise Agreement, Section 6.22)

Advertising

Market Entry Campaign

You must spend \$24,000 on a Market Entry Campaign beginning 4 – 8 weeks before you open your Business to approximately 3 months after you open your Business. We will determine the nature and content of the Market Entry Campaign based on the size of your Territory, specific needs for your region and the time of year you open your Business. We reserve the right to delay the timing of all Market Entry Campaign expenditures & pro-rate the expenditures based on market conditions, seasonality, timing of open and other factors, and may waive the Market Entry Campaign if you purchase a Refranchised Business. All Market Entry Campaign expenditures and related advertising must be approved by us.

Local Marketing

In addition to your Market Entry Campaign expenditures, you are required to spend at least \$42,000 during your first Agreement Year on approved local marketing in your Territory for your Business (your “Local Marketing Requirement”), but we actually recommend that you spend at least \$60,000 during the first Agreement Year. We will credit your Market Entry Campaign spending against your Local Marketing Requirement for your first Agreement Year.

Each year thereafter during the term of the Franchise Agreement, you must spend an amount based on your Gross Sales during the immediately preceding Agreement Year pursuant to the following chart:

Gross Sales During Prior Agreement Year	Minimum Local Marketing Requirement
\$0 to \$500,000	\$42,000
\$500,001 to \$700,000	\$21,000
\$700,001 and above	\$16,800

If you have multiple contiguous Territories under additional franchise agreements with us, then your Local Marketing Requirement for each contiguous Territory will be \$15,000 per contiguous Territory.

All local marketing materials and plans you decide to use are subject to our approval. (Franchise Agreement, Sections 8.1 and 8.3.) We may in the future have an in-house advertising department or use a national or regional advertising agency, and we do not restrict you from using any specific source for advertising.

We have no obligation to spend any amount on advertising in your Territory in connection with your local marketing activities.

You cannot establish, maintain, operate or participate in any website (other than our website) without our prior written approval, which we can revoke any time a website fails to continue to meet our standards.

Regional Advertising Cooperative

There are currently no advertising cooperatives. We may, from time to time, establish, change, merge or dissolve an advertising cooperative (each an “Advertising Cooperative”) for a geographical area in which 2 or more Businesses are located, or we may approve of the formation of an Advertising Cooperative by our franchisees. If we form an Advertising Cooperative for your area, we will notify you in writing of the starting date, the amount of your Advertising Cooperative’s contributions and the rules, regulations and bylaws that will govern your Advertising Cooperative. Your contributions to a Regional Advertising Cooperative will not be less than 1% or more than 2% of your Gross Revenues, unless the maximum contribution is changed by franchisee Cooperative members in accordance with the terms of the bylaws of the Cooperative. You will be entitled to a credit against your minimum Local Marketing Requirement and promotion requirement for contributions made to an advertising cooperative; provided, however, that if your contributions to a Cooperative are less than your Local Marketing Requirement, you shall nevertheless spend the difference locally. We will determine the area of each Advertising Cooperative based on an area that we consider likely to advertise effectively on the Advertising Cooperative basis. If the Advertising Cooperative will operate according to written documents, we must approve of these documents and a copy of the Advertising Cooperative documents applicable to the geographic area in which your MosquitoNix Business will be located will be provided to you if you request it. Each Regional Advertising Cooperative may determine its own voting procedures; however, each company owned MosquitoNix Business will be entitled to one vote in any Regional Advertising Cooperative. If there is a company-owned or affiliate-owned MosquitoNix Business in your Cooperative, then they will be able to vote on all matters that you and the other Cooperative members have the right to vote on. ~~Company-owned~~ Company-owned or affiliate-owned MosquitoNix Businesses will be subject to the same rules and contribution requirements as set forth above.

If established, the Advertising Cooperative may prepare periodic financial statements that members will have access to. (Franchise Agreement, Section 8.2.)

Brand Development Fund

You will be required to contribute 2% of your Business’ weekly Gross Revenues (the “Brand Development Fees”) on an ongoing basis to a Brand Development Fund, but we may raise the Brand Development Fund to 3% of Gross Sales on 60 days’ written notice to you. Company-owned or affiliate-owned MosquitoNix Businesses will contribute Brand Development Fees to the Brand Development Fund at the same levels of the then applicable franchise agreement, beginning when our first franchisee begins paying Brand Development Fees. We will direct all advertising programs, including the creative concepts, materials and media used in the programs. We anticipate that any such advertising will be conducted primarily through electronic or print media on a regional or national basis, and that the majority of our advertising will initially be developed in-house. We are not required to spend any of the Brand Development Fund in the area in which your franchise is located. ~~We~~ Subject to applicable state law (see Maryland Addendum), we are also not required to provide you with ~~any~~ or allow you to review any financial statements or accounting of how the Brand Development Fund is spent, although we expect to use the Brand Development Fund to conduct marketing, advertising and promotional activities. We do not intend to audit the Brand Development Fund or the spending of Brand Development Fees. If the Brand Development Fund collected is not spent in the year in which we receive them, we expect to carry any remaining amounts over to succeeding years. We will not spend the Brand Development Fund for advertising that is principally a solicitation for the sale of franchises.

We will not hold the Brand Development Fees as a trustee or as a trust fund, and we and our affiliates will have no fiduciary duty to you in the administration, use, or expenditure of the Brand Development Fund. We may commingle Brand Development Fees with other money and may use them to pay all costs associated with developing, preparing, producing, directing, administering, researching, staffing, conducting, and disseminating the Brand Development Fund, as well as the administrative costs and overhead we or any of our affiliates incur in conducting Brand Development Fund Activities, and the cost

of collecting and accounting for the Brand Development Fund Fees. We or our affiliates may loan money to the Brand Development Fund and may apply Brand Development Fund Fees to repay the loan. We may charge interest on the loans at then-current market rates with respect to such loans.

We or our designee will direct all Brand Development Fund Activities, including (i) the creation, production, administration and maintenance of marketing materials and our website; (ii) the purchase of advertising space in magazines, newspapers, and similar printed media or on the Internet or other electronic medium; (iii) the purchase of advertising on radio, television, the Internet, and other electronic media; (iv) advertising, marketing, promotional, public relations, and sales campaigns, programs, seminars and other activities designed to increase sales or public awareness of the System; (v) market research; (vi) the retention of advertising agencies, marketing consultants, public relations firms, and other professionals to assist in the development and implementation of any of the foregoing; and (vii) the advertising, marketing, promotional and sales activities of us and our affiliates, including placement and allocation. We anticipate that Brand Fund Activities will be conducted primarily through electronic or print media on a regional or national basis, and that the majority if not all of our advertising will initially be developed in-house and then later we may use a national or regional agency.

No Brand Development Fund contributions are used for advertising that is principally a solicitation for the sale of new franchises.

We reserve the right to terminate or suspend (and, if suspended, to re-activate) the Fund and/or establish methods of funding Brand Fund Activities other than payment of the Brand Fund Fees.

We did not collect any monies for the Brand Development Fund during our 2023 fiscal year, accordingly during our last fiscal year ended December 31, 2023, we had the following Brand Development Fund expenditures: 0% production; 0% media placement; 0% administration and 0% promotional materials.

Franchisee Advertising Council

We do not have any franchisee advertising counsel in place at this time.

Customer Information/Privacy and Data Protection

All Customer Information that we obtain from you and that you collect from your Customers and all revenues we derive from such Customer Information will be our property and our Confidential Information that we may use for any reason without compensation to you. At your sole risk and responsibility, you may use such Customer Information that you acquire from your Customers and other third parties solely in connection with operating the Business. (Franchise Agreement, Section 6.25).

You will: (i) comply with all applicable privacy laws (“Privacy Laws”); (ii) comply with all Brand Standards that relate to Privacy Laws and the privacy and security of Customer Information; (iii) comply with any posted privacy policy and other representations made to the individual identified by Customer Information you process, and communicate any limitations required thereby to any authorized receiving party in compliance with all Privacy Laws; (iv) refrain from any action or inaction that could cause us to breach any Privacy Laws; (v) maintain reasonable physical, technical and administrative safeguards for Information that is in your possession or control in order to protect the same from unauthorized processing, destruction, modification, or use that would violate the Franchise Agreement or any Privacy Law; (vi) do and execute, or arrange to be done and executed, each act, document and thing we deem necessary in our business judgment to keep us in compliance with the Privacy Laws; and (vii) immediately report to us the theft or loss of Customer Information (other than the Customer Information of your own officers, directors, shareholders, employees or service providers).

You will, upon request, provide us with information, reports, and the results of any audits performed on you regarding your data security policies, security procedures, or security technical controls related to

Customer Information. You will, upon our request, provide us or our representatives with access to your systems, records, processes and practices that involve processing Customer Information in order to mitigate a security incident or so that an audit may be conducted.

You will indemnify, defend and hold us harmless from losses arising out of or relating to: (i) any theft, loss or misuse of Customer Information; and (ii) your breach of any of the terms, conditions or obligations relating to data security, privacy, or Customer Information set forth in the Franchise Agreement.

You will immediately notify us upon discovering or otherwise learning of any theft, loss or misuse of Customer Information. You will, at our direction, (i) undertake remediation efforts at your sole expense, (ii) undertake effort to prevent the recurrence of the same type of incident, and (iii) reasonably cooperate with any remediation efforts undertaken by us. You will not make any public comment regarding and data security incident without our approval. Any notifications to the media or to Customers regarding theft or loss of Customer Information will be handled exclusively by us at our discretion, and you may not contact Customers relating to such theft or loss unless you are under a legal obligation to do so, in which event (i) you must notify us in writing promptly after concluding that you have the legal obligation to notify Customers and (ii) you will limit the notices to Customers to those required by the legal obligation or as pre-approved by us. You will reasonably cooperate in connection with any notices to Customers regarding theft or loss and you will assist with sending such notices if so requested. (Franchise Agreement, Section 6.26).

Computer Requirements

You must install and maintain a Technology and Information Systems. The Technology and Information Systems is used to keep books, run routes and schedules, maintain customer account information, produce invoices, track files and provide management, sales, and financial information reports.

All computers must use Microsoft Office 365 containing Word, Excel, Outlook and PowerPoint and Quick Books, and update such programs from time to time as new versions are available.

We estimate that the cost of the Technology and Information Systems will be approximately \$3000 depending on the size of the Business and the existing computer hardware you already have available to you.

Neither we, our affiliates, nor any third parties must provide ongoing maintenance, repairs, upgrades, or updates to your Technology and Information Systems. Currently, there are no optional or required maintenance/upgrade contracts for the Technology and Information Systems-, but we estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts will range from \$500 to \$1,500, and will be subject to the below described \$10,000 cap on computer modifications and upgrades during the term of the Franchise Agreement;

You must install any other hardware or software for the operation of the Business that we may require in the future, including any enhancements, additions, substitutions, modifications, and upgrades. If your Technology and Information Systems meets our standards and specifications, we will not require that you spend more than \$10,000 on computer modifications and upgrades during the term of the Franchise Agreement; however, this limitation does not apply to modifications or upgrades based on changes to our standards or specifications or to any franchise agreement entered into in connection with a renewal or transfer of a MosquitoNix Business franchise. (Franchise Agreement, Section 6.16).

Except as otherwise noted, there are no other contractual limitations on the frequency and cost to upgrade and update the Technology and Information Systems.

We may also require you to license from us, or others we designate, any computer software we develop or acquire for use by Businesses. We may require you to submit data electronically or via remote

			in Jacksonville, Florida or other location we designate
Totals	35	43	

Note 1: Our Initial Training Program is offered as needed during the year depending on the number of new franchisees entering the network, the number of other personnel needing training, and the scheduled opening of new Businesses. The Initial Training Program includes 5 days of Technical Training in Jacksonville, FL and 3 days of Virtual Business Training.

Instructional materials used in the Initial Training Program include the Brand Standards Manual as well as other presentation materials, including PowerPoint presentations, handouts, and recorded videos. Our training is administered and directed by Mike O’Neal and Jennifer O’Neal. Mike has 14 years of experience training with us and our affiliates and predecessors, and 14 years of training experience generally and Jennifer has 9 years of experience training with us and our affiliates and predecessors, and 9 years of training experience generally. There is no minimum level of training that any training instructor must have to conduct training for us.

We provide the Initial Training Program for a fee of \$7,000 which includes up to 3 individuals to attend. For any additional individuals you wish to have attend, or we determine must attend, you will be charged an additional fee of ~~\$1500~~ 1,500 per attendee. You must also pay all expenses you and your personnel incur in initial training, including costs of travel, lodging, meals and wages. (Franchise Agreement, Section 6.7)

We may require you or your personnel to attend additional training programs and may charge a fee for the training and training materials in amount of up to \$500 per day plus reimbursement for the actual cost of any such training materials (if any). You must pay all expenses you or your personnel incur in any training program, including the cost of travel, lodging, meals and wages. (Franchise Agreement, Section 6.7)

ITEM 12 TERRITORY

We grant geographic Territories generally containing up to 60,000 single-family households where such households meet an average annual household income of \$100,000 (each a “Targeted Household”). Targeted Household income is determined by available census materials and third-party vendors.

You will be granted a Territory that we delineate based on US postal service zip codes. The actual size of the Territory will vary depending upon the amount of the Initial Franchise Fee you pay, the availability of contiguous markets, our long-range plans, your financial and operational resources, and market conditions.

A written description of the Territory will be inserted in Exhibit A to the Franchise Agreement before you sign, along with your actual initial franchise fee, and any portions of your Territory in which you will not be able to offer and sell mosquito misting services under our System because of the existence of existing franchisees of our affiliate and predecessor FEMO FS.

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.

~~You may compete with us, our affiliates and our franchisees.~~ We and/or FEMO FS may in the future adapt our respective business models for use in smaller or larger geographic areas, with appropriate adjustments to fees and other business terms.

~~The~~ Although you will operate in the Territory, the Franchise Agreement gives you the right to ~~operate the store items for your~~ Business only from the Storage Facility location(s) specified in Exhibit A to the Franchise Agreement. See Item 8 for a description of the Storage Facility selection and consent process. You may not relocate a Storage Facility without our consent.

You are prohibited from sublicensing your rights to others, from assigning or delegating your rights and obligations to operate the Business, and from purchasing and reselling MosquitoNix Pest and Holiday Lighting Systems to retailers or wholesalers without our prior written consent.

As long as you are in Good Standing (as defined in the Franchise Agreement), during the term of the Franchise Agreement, we will not establish or operate, or license anyone other than you to establish or operate, a brick and mortar residential or commercial mosquito or other indoor or outdoor pest control business and/or holiday lighting display and decoration business (depending on the type of Business you purchased) in your Territory. However, we and our affiliates (including MQX Products) reserve the right to (i) operate and grant licenses to others to operate a residential or commercial mosquito or other indoor or outdoor pest control business and/or holiday lighting display and decoration business outside the Territory; (ii) advertise and promote our System inside and outside the Territory; (iii) develop, establish and operate (directly or indirectly), and grant franchises to others to develop establish and operate other business systems inside and outside the Territory using any other marks and to spin off, sell, or dispose of any interest in those business systems, including a residential or commercial mosquito or other indoor or outdoor pest control business and/or holiday lighting display and decoration business so long as it does not use the MosquitoNix name; (iv) engage directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, operation, license and sale of any products and services (including residential or commercial mosquito or other indoor or outdoor pest control products or services such as pest management systems and related fogging, spraying, baiting and trapping applications and/or holiday lighting display and decoration products or services such as performed using the MosquitoNix Pest and Holiday Lighting Systems) under the Marks or any other marks, inside and outside the Territory, through any method of distribution other than a Business, including large retail outlets, mail order catalogs, Internet, telemarketing, other direct marketing, or any other channel of distribution; and (v) acquire or be acquired by any company including, a company that operates or offers franchises for a residential or commercial mosquito or other indoor or outdoor pest control business and/or holiday lighting display and decoration business with outlets located or operating in the Territory under any trademarks or trade names except the Marks. These businesses may compete with your Business.

We do not grant you any options, rights of first refusal or similar rights to acquire additional franchises, but we do offer a reduced initial franchisee if you sign multiple franchise agreements for multiple Territories. See Item 5.

As noted above, we reserve the right to use alternative distribution, including the Internet, within your Territory, including under our principal trademarks and different trademarks.

There are no restrictions on our right to solicit or accept business from consumers inside the Territory, and we do not have to pay any compensation to you if we solicit or accept order inside your Territory.

Neither we nor our affiliates currently operate or plan to operate or franchise businesses under a different trademark that will sell similar products or services as your Business.

You may not actively market your Business to any person or entity whose residence or place of business is outside of the Territory, but with our prior written approval, you may sell MosquitoNix Pest and Holiday Lighting Systems outside of the Territory to Customers located in areas geographically contiguous to your Territory so long as such geographic area is not in the Territory of another Business operated by us, our affiliates or our franchisees. We may revoke our approval for you to operate outside of your Territory in our sole discretion. And, if you service Customers outside of the Territory with our approval, and elect not to execute our current form of Franchise Agreement with respect to all or any

portion of such geographic area, you assume the risk that we may sell such geographic area to one or more other current or prospective franchisees of the System. If we do sell such geographic area to another franchisee, you will no longer have the right to service the Customers located in such geographic area, regardless of whether or not you installed MosquitoNix Pest and Holiday Lighting Systems for such Customers.

~~If you are purchasing your Business as a conversion of an existing mosquito control, pest control and/or holiday lighting business, you may also continue to serve customers that you had before you purchased your Business.~~

You may use the Internet to advertise on our website only in compliance with the Franchise Agreement.

ITEM 13 TRADEMARKS

The Franchise Agreement gives you a license to operate a Business under the Marks, including the marks “MosquitoNix” and “MosquitoNix Elves”. FEMO Group owns the Marks (via assignment from FEMO Holdings) and licenses them to us under an Intercompany License described below.

Certain of the Marks are registered on the Principal Register with the U.S. Patent and Trademark Office (“USPTO”). FEMO Group and/or FEMO Holdings has filed and FEMO Group intends to file at the times required by law all appropriate affidavits for the Marks listed and renew each of the registrations.

Mark	Registration Number	Registration Date
MOSQUITONIX®	3,074,222	March 28, 2006; renewed March 4, 2016
MosquitoNix (Class 11)®	3,380,159	February 12, 2008; renewed June 23, 2017
Protecting Outdoor Lifestyles	5,040,501	September 13, 2016

The following applications have been filed and are currently pending:

Mark	Serial Number	Application Date
MOSQUITONIX ELVES	98335536	December 29, 2023
PESTNIX	98347284	January 08, 2024

We do not have a federal registration for two of our principal trademarks, namely MosquitoNix Elves and PestNix. Therefore, two of our principal trademarks do not have as many legal benefits and rights as a federally registered trademark. If our right to use these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no agreements in effect that significantly limit our rights to use or license the use of the Marks in a manner material to the franchise, except as follows:

Our rights to the Marks and the proprietary System know-how are derived from a nonexclusive perpetual license (the “Intercompany License”) between us and FEMO Group, L.P dated June 26, 2023. The Intercompany License grants us the right to use the Marks and the proprietary information related to the System, such as the know-how and the Manuals, for the purpose of licensing them to our franchisees and fulfilling our obligations under the Franchise Agreement. The Intercompany License is terminable only for material breach of the Intercompany License agreement and only if we do not cure or begin to cure the breach within 90 days after notice. We know of no other agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to you.

In the Acquisition, our affiliate and predecessor FEMO FS assumed an agreement originally entered into

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents or pending patent applications that are material to the franchise. We do claim copyright protection and proprietary rights in the original materials used in the System, including our Brand Standards Manuals, bulletins, correspondence and communications with our franchisees, training, advertising and promotional materials, and other written materials relating to the operation of Businesses and the System.

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We are not obligated by the Franchise Agreement, or otherwise, to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use or licensing of the copyrights.

We treat all of this information as trade secrets and you must treat any of this information we communicate to you confidentially. You must not communicate or use our confidential information for the benefit of anyone else during and after the term of the Franchise Agreement. You must also agree not to use our confidential information at all after the Franchise Agreement terminates or expires. You can give this confidential information only to your employees who need it to operate your Business. You must have your owners, Operations Manager, and any of your other personnel who have received or will have access to our confidential information, sign similar covenants.

All information (including, the names, addresses, service contracts, billing and other information) regarding current and former customers will be and remain our sole property and you must assign and transfer to us all rights or interests that you have or may have to any customers after the expiration or earlier termination of the Franchise Agreement. For customers of both the Business and the Existing Business, you may use the customer information that is solely related to the operation of the Existing Business, but we may use such Existing Business customers as well.

You may not use the customer information for the sale, installation or servicing of a Competitive Business, which we define as “any business, other than the Business authorized under [your Franchise Agreement], which sells, installs, applies or services residential or commercial mosquito or other indoor and/or outdoor pest control products or services and/or sells, installs and/or services holiday lighting displays and decorations”.

If you or your owners or employees develop any new concept, process or improvement in the operation or promotion of your Business, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. These concepts, processes or improvements will become our property, and we may use or disclose them to other franchisees, as we determine appropriate.

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

The operation of your Business in the Territory must be directly supervised “on-premises” by a person you designate as your “Operations Manager.” We must approve your Operations Manager, and he or she must complete our required training for the management of your Business. The Operations Manager may be one of your owners, but does not have to be an owner; need not be. If you have an Existing Business, the same person who manages your Existing Business may transition to serve as the Operations Manager of your Business. You must also employ a certified applicator for your Business.

Your Operations Manager and the non-owner officers, directors or managers of a corporate, partnership or limited liability company franchisee must sign an undertaking to maintain the confidentiality of our

proprietary information and to comply with the covenants not to compete and dispute resolution procedures described in Item 17 of this disclosure document.

Your Principal Owners (defined in the Franchise Agreement) must sign a Guaranty and Assumption Agreement (“Guaranty”) guaranteeing your performance under the Franchise Agreement and binding themselves individually to certain provisions of the Franchise Agreement, like the covenants against competition and those restricting disclosure of confidential information, restrictions on transfer, and dispute resolution procedures.

~~Your Minority Owners must also sign an undertaking(defined in the Franchise Agreement) and any non-owner Operations Manager are not required to guarantee your performance but must sign separate undertakings to be bound by the same provisions of the Franchise Agreement as your Operations Manager and to comply with the restrictions on the transfer of their ownership interests and the non-monetary obligations that apply after the Franchise Agreement terminates or expires. Your Principal Owners must sign a Guaranty of your performance under the Franchise Agreement and must agree to be personally bound by the same types of covenants as a Minority Owner, as well as by the financial provisions of the Franchise Agreement, including indemnification provisions and those relating to the payment of fees and enforcement costs.~~

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell through your Business all of the products and services that we periodically specify for sale through your Business, and you must offer and sell through your Business only the products and services that we periodically specify for sale through your Business. You may not offer or sell any products or services that we have not authorized through your Business, and you must discontinue any products or services that we disapprove. We may change the products and services that you must offer and sell through your Business, and the list of any products and services you are not authorized to offer and sell through your Business. There are no contractual limitations on our ability to make such changes to the authorized or disapproved products and services being offering through your Business. You must not participate in any Competitive Business. See Items 12 and 17.

If there occurs a global, regional or local crisis such as a pandemic or other similar event, you must cooperate fully with us as to how we respond to the crisis, and you must implement any remediation plan we institute, which may include us requiring a temporary closure of your Business as part of the crisis remediation plan (whether or not all or other franchises are required to temporarily close).

You may not actively offer to provide mosquito, pest control or holiday lighting services from your Business outside your Territory. You may accept orders from customers outside the Territory only with our written consent and only if you do so in compliance with our policies and procedures.

If we establish a National Accounts program, you must service all national accounts as required by the terms of the Franchise Agreement and the terms of the National Accounts program.

You must provide to your customers all of the standard warranties and guarantees that we may develop, and you may not issue any other warranty or guarantee without our prior written consent.

You cannot establish, maintain, operate or participate in any website (other than our website) without our prior written approval, which we can revoke any time a website fails to continue to meet our standards.

You must participate in any special sales or other promotional program we require generally for Businesses, including joint advertising and promotional programs.

We reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum or other pricing requirements with respect to the prices you may charge for products or services.

We do not impose any other restrictions in the Franchise Agreement or otherwise on the goods or services that you may offer or sell or on the customers to whom you may offer or sell.

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

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement attached to this disclosure document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 3.1	10-year initial term.
b. Renewal or extension of the term	Section 3.2	2 additional 5-year terms. However, at our sole discretion, we may offer additional renewal terms if you meet certain requirements.
c. Requirements for franchisee to renew or extend	Section 3.2	Your renewal right permits you to remain as a franchisee after the initial term of your franchise agreement expires. However, to remain a franchisee, you must meet all required conditions to renewal including signing our then-current form of franchise agreement, which may be materially different than the form attached to this disclosure document. Other conditions include: Being in Good Standing; giving written notice <u>to renew no less than 6 months and no more than 12 months before the end of the initial term</u> ; renovating and modernizing required items; signing general release (See Exhibit G); satisfying current qualification, training and staffing requirement; and paying a renewal fee.
d. Termination by franchisee	Not Applicable.	Subject to applicable law, none.
e. Termination by franchisor without cause	Not Applicable.	Subject to applicable law, none.
f. Termination by franchisor with "cause"	Section 14.1	We may terminate on your default.
g. "Cause" defined - curable defaults	Section 14.3	You have 72 hours to cure an unauthorized use of or challenge to our Marks or a violation of any safety law; 3 days to cure a failure to permit us to inspect or audit; 5 days to cure a failure to maintain required insurance; 10 days to cure a failure to pay us or our affiliates; 30 days to cure a failure to complete initial training, to pay taxes, or to cure any other default not specifically listed above or listed as non-curable.

Provision	Section in Franchise Agreement	Summary
		seller finances sale, it subordinates to our fees; sellers comply with confidentiality, non-compete and other post-term obligations that survive and does not operate in a confusingly similar manner after the sale.
n. Franchisor’s right of first refusal to acquire franchisee’s business	Section 13.6	Except for transfers by Minority Owners or to an existing owner or a member of an owner’s Immediate Family, we have a right of first refusal to purchase the interest being transferred.
o. Franchisor’s option to purchase franchisee’s business	Section 15.1	Upon termination or expiration of the Franchise Agreement, we have the option to purchase your leases (including Storage Facility leases and vehicle leases), customer contracts, licenses and permits and acquire your business assets for a price equal to the net book value of the tangible assets plus the fair market value of any real property.
p. Death or disability of franchisee	Section 13.7	<p>Death – on your death or the death of an owner, the deceased’s interest must be transferred within 90 days in compliance with the applicable requirements for a transfer by a Minority Owner or by you or a Principal Owner.</p> <p>Disability – if you or all of your Principal Owners who are actively involved in the management of your Business become disabled, the Franchise Agreement or owner’s interest must be transferred within 90 days in compliance with the procedures for transfer, or the Franchise Agreement will terminate.</p>
q. Non-competition covenants during the term of the franchise	Section 11	Subject to applicable law, you, your owners and your Operations Manager may not operate or have an interest in a Competitive Business. We define a Competitive Business, as which we define as “any business, other than the Business authorized under [your Franchise Agreement], which offers, sells, installs, applies or services residential or commercial mosquito or other indoor and/or outdoor pest control products or services and/or offers, sells, installs and/or services holiday lighting displays and decorations”.
r. Non-competition covenants after the franchise is terminated or expires	Section 15.3	Subject to applicable law, for 2 years after the expiration or termination of the Franchise Agreement or an approved transfer, you, your owners and your Operations Manager may not have an interest in or assist or advise any Competitive Business that is located in the Territory, <u>or</u> within a 50-mile radius of the Territory, or within a 50-mile radius of the territory of any other <u>franchised</u> Business.
s. Modification of the agreement	Section 18.5	Except for changes we can make unilaterally, all changes require mutual agreement. You must comply with the Brand Standards Manuals as amended.
t. Integration/merger	Section 18.5	Only the terms of the Franchise Agreement, franchise

Provision	Section in Franchise Agreement	Summary
clause		disclosure document, and other related written agreements are binding (subject to state law). Any representations or promises made outside of this disclosure document or <u>Notwithstanding the foregoing, nothing in the Franchise Agreement may not be enforceable or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.</u>
u. Dispute resolution by arbitration or mediation	Section 17.1	Subject to applicable law, disputes must be mediated, except for actions we bring for monies owed, injunctive or other equitable relief, or relief relating to real property, the Marks or our confidential information.
v. Choice of forum	Section 17.2	Subject to applicable law, mediation is at the AAA office nearest to Dallas, Texas. Venue for any other proceeding is the state or federal district court in which Dallas, Texas is located.
w. Choice of law	Section 17.4	Subject to applicable law, Texas law applies, except for Texas choice of law rules.

**ITEM 18
PUBLIC FIGURES**

We do not use any public figure to promote the 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.

**ANALYSIS OF HISTORICAL GROSS SALES AND SELECTED COST INFORMATION FOR
COMPANY-AFFILIATED MOSQUITONIX BUSINESSES
DURING JANUARY 1, 2023 TO DECEMBER 31, 2023**

This analysis contains historical Gross Sales, cost of goods sold, operating expenses, and net income information incurred in operating all existing company-affiliated MosquitoNix and Holiday Lighting Businesses. The information represents data collected on a trailing twelve-month basis beginning January 1, 2023 and ended December 31, 2023 (the “Measurement Period”). ~~Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.~~

The Gross Sales and selected cost analysis were prepared based on the results of 7 affiliate owned and operated MosquitoNix and Holiday Lighting Businesses that were open and operating during the Measurement Period. These company-affiliated Businesses are located in markets in Florida (3, Jacksonville, West Coast of Florida (“WCFL”) and Orlando), South Carolina (1, Hilton Head), and Texas (3, Mid-Cities, North Dallas and Dallas) (each a “Market” or collectively the “Markets”).

All of the company-affiliated Businesses in the Markets in this analysis offer substantially the same products and services that a franchised Business will offer. However, as further discussed below, all of the company-affiliated Businesses and their Markets differ from the Business you will operate in your Territory in terms of population and size of the Market and some of the company-affiliated Businesses and their Markets differ from the Business you will operate in your Territory in terms of the level of management oversight and advertising spend during the Measurement Period. For these reasons, we have divided the 7 Markets into 4 “Conforming Markets” (Jacksonville, Mid-Cities, North Dallas and Dallas) and 3 “Non-Conforming Markets” (WCFL, Orlando and Hilton Head) and present two tables for these Conforming Markets and Non-Conforming Markets.

Except as to the Hilton Head Market detailed below, the population and size of all of these Markets are significantly larger than the Territory that will be offered to you under this disclosure document. Specifically, the Jacksonville, Mid-Cities, North Dallas and Dallas Markets all operate primarily in a geographic area that is comprised of 3 Territories based on the size and demographics for Territories that we offer to franchisees under this disclosure document. The WCFL Market operates primarily in an area that is comprised of 6 Territories based on the size and demographics for Territories that we offer to franchisees under this disclosure document. The Orlando Market operates primarily in an area that is comprised of 3 Territories based on the size and demographics for Territories that we offer to franchisees under this disclosure document. The Hilton Head Market operates primarily in an area that is comprised of less than 1 Territory based on the size and demographics (approximately 20,000 households) for

Territories that we offer to franchisees under this disclosure document. Collectively, the 7 Markets would include 22 Territories based on the population, size and demographics for Territories that we offer to franchisees under this disclosure document. Therefore, the Markets do not represent the population or size of the Territory that you will be offered for your franchised Business.

For these reasons, we have also included total sales both when measured as a whole for each Market and then also total sales when measured by the current territory size to show the Market sales based on the population or size of the Territory that will be purchased by the franchisees. However, with respect to costs, our information and experience reflects that there is no material difference in general costs as a percentage of sales in Tables 1 and 2 whether reflecting the actual total sales of each Market or the total sales of each Market when measured by the population or size of the Territory that will be purchased by the franchisees.

The 4 Conforming Markets in Table 1 were operated during the Measurement Period in a manner that is reflective of what we expect from franchised Territories in terms of ~~size (approximately 60,000 households)~~, management (each Market had a company-affiliated general manager active in the Market) and advertising spend (each Market generally spent over approximately \$60,000 on local marketing for the Market an annual basis although you will be required spend only \$42,000 in your Territory under your Franchise Agreement). Accordingly, we have grouped these 4 Markets together in Table 1.

The 3 Non-Conforming Markets were not operated during the Measurement Period in a manner that is reflective of what we expect from franchised Territories either in terms of ~~size (the Hilton Head Market only contains approximately 20,000 households)~~, management (none of these Markets had a dedicated company-affiliated general manager living in the Market) and/or advertising spend (none of these Markets generally spent over \$24,000 on local marketing for the Market an annual basis). Accordingly, we have grouped these 3 Markets together in Table 2.

This analysis is provided despite the size of the 7 Markets to provide both expense information at various revenue levels as well as to demonstrate the various revenue types. Although the financial results of the 7 Markets reflect all revenue received by all Customers served by our company-affiliated Businesses during the Measurement Period, we excluded the population surrounding approximately 350 Customers when creating the 7 Markets and 22 Territories in this analysis. We excluded these approximately 350 Customers because they are located in rural areas that are not otherwise marketed to, served or supported by the Businesses, but they receive services from our Businesses because they are second homes, vacation homes or business locations for existing Customers that have primary residences in our Markets. These 350 total customers generated approximately \$262,500 in total sales during the 2023 fiscal year.

During the Measurement Period, none of these Markets paid any Royalty or Brand Fund Fees. The amounts depicted below show what each Market would have paid had they operated as a franchisee under this offering.

~~The information contained in this analysis has not been audited.~~

~~Some outlets have earned this much. Your individual results may vary. There is no assurance you'll earn as much.~~

*Royalty Fees in Tables 1 and 2 are calculated based on the Gross Sales breaks described in Item 6 of this disclosure document.

Gross Sales are as defined in the Franchise Agreement, namely Gross Sales means all revenue from sales of the Business, including amounts received from the sale of products and services of every kind and nature, and whether from cash, check, credit card or credit transactions. The term Gross Sales does not include (i) bona fide refunds to customers that are specifically authorized by us (ii) sales taxes collected (iii) discounts, coupons, and promotions, or (iv) sales of prepaid cards or similar products.

[Table 1 begins on the following page]

**Table 1
Conforming Markets**

Market	Jacksonville	Mid-Cities	North Dallas	Dallas	All Company Conforming Affiliated Markets
<u>Revenue</u>					
Misting Systems	\$381,492	\$79,528	\$89,099	\$132,911	\$683,030
Christmas Lights	\$278,371	\$46,064	\$36,417	\$124,685	\$485,537
Convenience Billing	\$790,886	\$607,563	\$422,930	\$1,226,069	\$3,047,448
Misc. Svc	\$147,881	\$190,124	\$114,030	\$522,017	\$974,052
TOTAL SALES	\$1,598,630	\$923,279	\$662,476	\$2,005,682	\$5,190,067
<u>TOTAL SALES WHEN MEASURED BY CURRENT TERRITORY SIZE (60,000 single-family households where such households meet an average annual household income of \$100,000)</u>	<u>\$192,286 (based on 3 Territories)</u>	<u>\$187,776 (based on 3 Territories)</u>	<u>\$202,205 (based on 3 Territories)</u>	<u>\$188,429 (based on 3 Territories)</u>	<u>\$770,696 (based on 12 Territories)</u>
	=	=	=	=	=
<u>Cost of Goods Sold</u>					
Misting System COGS	\$174,492	\$79,166	\$60,982	\$153,964	\$468,604
Christmas Lights COGS	(\$54,993)	(\$16,244)	\$9,295	(\$10,881)	(\$72,823)
Direct Labor COGS	\$235,815	\$127,994	\$56,552	\$251,518	\$671,879
Misc. COGS	\$145,685	\$66,084	\$53,709	\$145,777	\$411,255
Total COGS	\$500,999	\$257,000	\$180,538	\$540,378	\$1,478,915
GROSS PROFIT	\$1,097,631	\$666,279	\$481,938	\$1,465,304	\$3,711,152
<u>Expenses</u>					
Operating Expenses	\$188,557	\$130,313	\$102,345	\$188,557	\$609,772
Wages	\$85,284	\$79,758	\$74,081	\$213,773	\$452,896
Facilities Expenses	\$34,268	\$44,135	\$29,594	\$76,125	\$184,122
Selling Expense	\$59,535	\$21,137	\$16,317	\$49,939	\$146,927
TOTAL EXPENSES	\$367,644	\$275,343	\$222,337	\$599,537	\$1,464,860
Net Income	\$729,987	\$390,936	\$259,601	\$865,767	\$2,246,292
<u>Franchise Expenses</u>					
Royalty (7%-10%)*	\$111,904	\$64,630	\$52,998	\$140,398	\$369,929
Brand Fund (2%)	\$31,973	\$18,466	\$13,250	\$40,114	\$103,801

Total Franchise Expenses	\$143,877	\$83,095	\$66,248	\$180,511	\$473,731
Net Operating Profit (If Franchised)	\$586,111	\$307,841	\$193,353	\$685,256	\$1,772,561
Net Operating Profit Margin (If Franchised)	36.66%	33.34%	29.19%	34.17%	34.15%

**Table 2
Non-Conforming Markets**

Market	WCFL	Orlando	Hilton Head	All Company <u>Non-Conforming</u> Affiliated Markets
<u>Revenue</u>				
Misting Systems	\$153,360	\$154,395	\$33,620	\$341,375
Christmas Lights	\$19,200	\$110,489	\$54,964	\$184,653
Convenience Billing	\$246,350	\$373,999	\$91,637	\$711,986
Misc. Svc	\$103,557	\$71,175	\$23,501	\$198,233
TOTAL SALES	\$522,467	\$710,058	\$203,722	\$1,436,247
<u>TOTAL SALES WHEN MEASURED BY CURRENT TERRITORY SIZE (60,000 single-family households where such households meet an average annual household income of \$100,000)</u>	<u>\$336,909</u> <u>(based on 6 Territories)</u>	<u>\$207,658</u> <u>(based on 3 Territories)</u>	<u>\$12,576</u> <u>(based on 1/3 Territories)</u>	<u>\$370,250</u> <u>(based on 9 and 1/3 Territories)</u>
<u>Cost of Goods Sold</u>				
Misting System COGS	\$94,302	\$73,967	\$9,075	\$177,344
Christmas Lights COGS	(\$8,067)	\$5,358	\$6,302	\$3,593
Direct Labor COGS	\$125,848	\$145,195	\$41,561	\$312,604
Misc. COGS	\$44,913	\$74,591	\$37,731	\$157,235
Total COGS	\$256,996	\$299,111	\$94,669	\$650,776
GROSS PROFIT	\$265,471	\$410,947	\$109,053	\$785,471
<u>Expenses</u>				
Operating Expenses	\$112,795	\$169,044	\$55,862	\$337,701
Wages	\$11,550	\$88,912	\$69,630	\$170,092
Facilities Expenses	\$21,510	\$30,137	\$15,131	\$66,778
Selling Expense	\$18,003	\$24,522	\$8,369	\$50,894
TOTAL EXPENSES	\$163,858	\$312,615	\$148,992	\$625,465
Net Income	\$101,613	\$98,332	(\$39,939)	\$160,006

Franchise Expenses				
Royalty (7%-10%)*	\$47,022	\$49,704	\$20,372	\$117,098
Brand Fund (2%)	\$10,449	\$14,201	\$4,074	\$28,725
Total Franchise Expenses	\$57,471	\$63,905	\$24,447	\$145,823
Net Operating Profit (If Franchised)	\$44,141	\$34,427	(\$64,386)	\$14,183
Net Operating Profit Margin (If Franchised)	8.45%	4.85%	-31.60%	0.99%

**Table 3
Customer Acquisition Center**

The below chart outlines the performance of our ~~Customer Acquisition Center (CAC)~~ with respect to the 7 affiliate owned and operated MosquitoNix and Holiday Lighting Businesses that were open and operating during the 2023 fiscal year ended December 31, 2023. See Items 6 and 8 for a description of the CAC

The chart displays the total number of inquiries handled, video consultations completed, and Misting Systems, Holiday Lighting & Décor, QuickNix one-time fogging treatments, and PestNix one-time sale transactions during the 2023 fiscal year along with the sale closing percentages. The total revenue and average per job sales are also outlined in the table below. ~~Please see Item 6 for your costs related to the CAC.~~

Monthly Sales	JAX	Orlando	WCF	HHI	Dallas	Mid Cities	North Dallas	System Wide
Annual Inquiry	450	237	174	82	241	129	115	1428
Misting System Estimate	190	83	65	18	71	48	39	514
Misting System Win	126	50	43	13	43	28	27	330
Misting System Closing %	66%	60%	66%	72%	61%	58%	69%	64%
Misting System Pre-Tax Avg.	3,290	3,294	3,659	3,312	3,220	2,955	3,011	\$3,249
Christmas Light Estimate	45	30	12	13	22	11	10	143
Christmas Light Win	31	20	8	9	18	7	6	99
Christmas Light Closing %	69%	67%	67%	69%	82%	64%	60%	69%
Christmas Light Pre-Tax Avg. Average	1,910	2,427	2,833	3,220	1,825	1,570	1,417	\$2,172
Christmas Light Pre-Tax Median	<u>1,500</u>	<u>1,311</u>	<u>1,750</u>	<u>1,684</u>	<u>1,375</u>	<u>1,500</u>	<u>1,375</u>	
Christmas Light Resale Revenue	218,203	60,114	5,579	54,820	99,802	34,864	29,067	\$502,449
Christmas Light New Revenue	59,210	48,530	22,666	21,939	32,851	12,750	8,550	\$206,496
QuickNix Estimate	230	124	97	51	148	70	66	786
QuickNix Win	111	75	10	17	256	43	63	575
QuickNix Closing %	48%	60%	10%	33%	73%	61%	95%	73%
QuickNix Avg. Average	81	72	77	154	109	86	132	\$100
QuickNix Median	<u>79</u>	<u>79</u>	<u>79</u>	<u>69</u>	<u>150</u>	<u>79</u>	<u>79</u>	
QuickNix New Revenue	9,031	5,472	777	2,611	27,875	3,688	8,285	\$57,739
QuickNix Resale Revenue	14,860	4,021	1,009	1,147	76,230	11,584	4,418	\$113,269
PestNix Estimate	190	83	65	18	71	48	39	514

PestNix Win	91	25	12	18	132	29	13	320
PestNix Closing %	48%	30%	18%	100%	86%	60%	33%	62%
PestNix Avg. Average	34	62	20	20	49	25	48	\$41
PestNix Median	<u>20</u>	<u>20</u>	<u>50</u>	<u>20</u>	<u>20</u>	<u>30</u>	<u>30</u>	
PestNix New Revenue	3,122	1,558	240	360	6,440	724	628	\$13,072
PestNix Resale Revenue	12,963	790	224	1,356	8,589	2,329	3,045	\$29,296

*Our Customer Acquisition closing percentage was 67% during the 2023 fiscal year.

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

Some outlets have earned this much. Your individual results may vary. There is no assurance you'll earn as much.

Except as noted above, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Mike O'Neal, at 8940 Western Way, Suite #2, Jacksonville, Florida 32256, 855-808-BUGS (2847), the Federal Trade Commission, and the appropriate state regulatory agency.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

**TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2021 TO 2023⁽¹⁾**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised ⁽²⁾	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Company- Owned	2021	7	7	0
	2022	7	7	0
	2023	7	7	0
Total Outlets (1)	2021	7	7	0
	2022	7	7	0
	2023	7	7	0

Notes:

1. We began offering Business franchises in December 2023, but our predecessors and past affiliates offered MosquitoNix Business franchises off and on since 2008. Neither we nor our predecessors or affiliates have ever offered franchises for MosquitoNix Elves Businesses before the date of this disclosure document.

2. As noted in Item 1, we are offering Refranchised Businesses in portions of the states of Florida,

South Carolina and Texas. The company-owned Businesses described above operate in Territories that are substantially larger than the size offered to new and conversion franchises under this disclosure document.

3. Our fiscal year ends December 31st each year.

**TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2021 TO 2023**

State	Year	Number of Transfers
Totals	2021	0
	2022	0
	2023	0

**TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2021 TO 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Totals (1)	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

**TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2021 TO 2023⁽¹⁾**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Florida	2021	3	3	0	0	0	3
	2022	3	3	0	0	0	3
	2023	3	3	0	0	0	3
South Carolina	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Texas	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
Total	2021	7	0	0	0	0	7
	2022	7	0	0	0	0	7

Certain former franchisees of our predecessor FEMO GFS have signed confidentiality clauses during the last three years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the MosquitoNix franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

Trademark-Specific Franchisee Organizations

As of the date of this disclosure document, there are no franchisee organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21 FINANCIAL STATEMENTS

Attached as Exhibit A to this disclosure document is:

1. Our audited balance sheet as of December 31, 2023, and the related statements of earnings and members' equity and cash flows for the period June 26, 2023 (inception) through December 31, 2023, and the related notes to the financial statements.
2. ~~Our unaudited opening balance sheet as of December 29, 2023.~~

Please note that we have only been in existence since June 2023, and therefore do not have a balance sheet for two previous fiscal year-ends before this disclosure document issuance date or statements of operations, stockholders equity, and cash flows for three previous fiscal years.

Our fiscal year end is December 31.

ITEM 22 CONTRACTS

Attached to this disclosure document are the following contracts and their attachments:

Exhibit B	Franchise Agreement (with attachments)
Exhibit F	Form of Refranchising Asset Purchase Agreement
Exhibit G	Form of General Release

ITEM 23 RECEIPTS

Attached as the last 2 pages of this disclosure document are 2 Receipts. When you receive this disclosure document, you must sign both Receipts and return 1 to us, retaining the other for your records.

EXHIBIT A
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.~~

MosquitoNix Franchise LLC
Balance Sheet (In USD)

Reporting Book:	ACCRUAL	
As of Date:	12/29/2023	
Location:	MosquitoNix Franchise-LLC	
-	-	
-		Year To Date
-		12/29/2023
-		
Assets	-	
-		
Current Assets	—	
-		
Cash and Cash Equivalents	—	
10220 Fifth Third MosquitoNix		100,000.00
Total Cash and Cash Equivalents		<u>100,000.00</u>
-		
Prepaid Expenses	—	
13105 Prepaid Expenses		3,180.00
Total Prepaid Expenses		<u>3,180.00</u>
-		
Total Current Assets		<u>103,180.00</u>
-		
Total Assets		<u>\$ 103,180.00</u>
-		
Liabilities and Equity	-	
-		
Liabilities	—	
-		
Current Liabilities	—	
-		
Accounts Payable	—	
20000 Accounts Payable		1,106.24
Total Accounts Payable		<u>1,106.24</u>
-		
Total Current Liabilities		<u>1,106.24</u>
-		
Total Liabilities		<u>1,106.24</u>
-		
Stockholders Equity	—	
-		
Additional Paid In Capital		492,178.49
—		

— Total Additional Paid In Capital	492,178.49
-	
— Net Income (Loss)	(390,104.73)
-	
— Total Stockholders Equity	402,073.76
-	
— Total Liabilities and Equity	\$ 103,180.00
-	-
-	-
-	-

STATE ADMINISTRATORS

CALIFORNIA

Commissioner of Financial Protection and Innovation
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7505 or (866) 275-2677
Website: <http://www.dfpi.ca.gov/>
Email: Ask.DFPI@dfpi.ca.gov

HAWAII

Department of Commerce & Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(312) 814-3892

INDIANA

Indiana Secretary of State
302 W. Washington St., Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND

Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-7042

MICHIGAN

Department of the Attorney General
Consumer Protection Division
Franchise Section
G. Mennen Williams Building, 1st Floor
525 W. Ottawa Street
Lansing, MI 48913

MINNESOTA

Commissioner of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
(612) 296-6328

NEW YORK

~~Bureau of Investor Protection and Securities~~
NYS Department of Law
~~120 Broadway, 23rd Floor~~
Investor Protection Bureau
28 Liberty Street, 21st FL
New York, New York ~~10271~~ NY 10005
~~(212) 416-8211~~
212-416-8222

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard Avenue,
State Capitol, 14th Floor, Dept 414
Bismarck, ND 58505-0510
701-328-4712

RHODE ISLAND

Director of Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920
(401) 222-3048

SOUTH DAKOTA

Department of Labor and Regulation
Division of Securities
124 S Euclid, Suite 104
Pierre SD 57501
(605) 773-4013

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

WASHINGTON

Securities Division,
Department of Financial Institutions
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8760

WISCONSIN

Division of Securities
Department of Financial Institutions
P.O. Box 1768
Madison, Wisconsin 53701 or
345 West Washington Avenue, 4th Floor
Madison, Wisconsin 53703
(608) 266-8559

**ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA**

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

1. Item 3 of the Disclosure Document is supplemented by the following language:

Neither we nor any person or franchise broker identified in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

2. Item 6 of the Disclosure Document is supplemented to reflect that 10% per annum is the highest interest rate allowed in California.

3. Item 17 of the Disclosure Document is supplemented by the following language:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the agreement. This provision may not be enforceable under California law.

The Franchise Agreement requires application of the laws of ~~Nevada~~Texas. This provision may not be enforceable under California law.

The Franchise Agreement requires submission of dispute to courts located in ~~Nevada~~Texas. This provision may not be enforceable under California law.

The Franchise Agreement requires you to waive your right to a trial by jury. This provision may not be enforceable under California law.

The California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Corporations, prior to a solicitation of a proposed material modification of an existing franchise.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damage clauses are unenforceable.

You must sign a general release if you transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

4. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE

DELIVERED TOGETHER WITH A COPY OF THE DISCLOSURE DOCUMENT.

5. OUR WEBSITE (www.mosquitonix.com) HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.
6. 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.

ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

**ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS**

The State Cover Page, Item 5 and Item 17 of this disclosure document are amended by adding the following:

1. All initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

~~1. Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside Illinois is void with respect to any action which is otherwise enforceable in Illinois, except that the Franchise Agreement may provide for arbitration outside Illinois. In addition, Illinois law will govern the Franchise Agreement.~~

~~2. Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to you concerning non-renewal and termination of law governs the Franchise Agreement. If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.~~

~~3. Any release of claims or acknowledgments of fact contained in the Franchise Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act will be void and are deleted with respect to claims under the Act.~~

3. 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.

4. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

~~5. 4. Section In conformance with section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." To the extent that any provision in the Franchise Agreement is inconsistent with Illinois law, Illinois law will control. the Illinois Franchise Disclosure Act or any other law of Illinois is void.~~

~~6. 5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

7. In addition to your Market Entry Campaign expenditures, you are required to spend at least \$42,000 during your first Agreement Year on approved local marketing in your Territory for your Business (your “Local Marketing Requirement”), but we actually recommend that you spend at least \$60,000 during the first Agreement Year. We will credit your Market Entry Campaign spending against your Local Marketing Requirement for your first Agreement Year.

**ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND**

1. Item 5 is amended to add 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.

2. Item 11 is amended to reflect that, for franchisees in Maryland, we will prepare an unaudited accounting of Advertising Fund contributions and expenditures annually and you may request a copy of the results of that accounting upon written request.

13. Item 17, under the Summary column of parts (c) and (m), is amended to include the following paragraph:

A general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

24. Item 17, under the Summary column of part (h), is amended to include the following sentence:

A provision in the Franchise Agreement that provides for termination on your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

35. Item 17, under the Summary column of part (v), is modified to include the words "A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

46. Item 17 is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

57. 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.

**ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
DISCLOSURE DOCUMENT
FOR 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 HA OR YOUR PUBLIC LIBRARY FOR SERVICES RESOURCES 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 THAT 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:

~~2. Item 3, "Litigation" is hereby amended by deleting the last paragraph in that Item and replacing it with the following language:~~

~~"Except as described in this Item:~~

~~Neither~~ Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2 above, or an affiliate offering franchises under the franchisor's principal trademark:

A. ~~Has~~ 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 that is 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~~ B. Has No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ~~ten-year period~~ ten years immediately preceding the application for registration, has been convicted of a ~~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.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years 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.

~~-~~ ~~C~~ D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under any 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 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 a 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; this proviso intends that the nonwaiver 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 a franchisee”: “You may terminate the agreement on any grounds available by law.”

3. Item 4, “Bankruptcy”, is hereby deleted in its entirety and the following language substituted in lieu thereof:

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”:

~~“Neither the franchisor, its affiliates, its predecessor, officers or general partner have during the 10 year period immediately before the date of this offering circular:~~

~~(a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code;~~

~~(b) obtained a discharge of its debts under the bankruptcy code; or~~

~~(c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor, held this position in the company or partnership.”~~

4. Item 5, “Initial Fees”, of the Disclosure Document is amended to provide that the initial franchise fee is used to cover the costs of training, support, software and for general corporate purposes.

5. Item 17, “Renewal, Termination, Transfer and Dispute Resolution”, is supplemented for the Development Agreement and Franchise Agreement, under the categories entitled “Termination by Franchisee” and “Assignment of Contract by Us” respectively, by the following language that will be deemed an integral part thereof:

~~In Item 17, section d., *Termination by Franchisee*—Notwithstanding any rights you may have in the Agreement permitting you to terminate the Agreement, the franchisee or area developer may also have additional rights to terminate the Agreement on any grounds available by law.~~

~~In Item 17, section j., *Assignment of Contract by Franchisor*—However, no assignment will be made except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the franchise or area development agreement.~~

~~In Item 17, section w., *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 or upon the area developer by article by Article 33 of the General Business lawLaw of the stateState of New York.~~

6. 6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state

franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

**ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF NORTH DAKOTA**

1. Items 6 and 17(i) of this disclosure document are amended to reflect that all liquidated damages provisions in the ~~Development Agreement and Franchise Agreement~~ (Section 15.4) are deleted in their entirety.

2. Item 17(r) of this disclosure document is amended to reflect that covenants not to compete such as those contained in the ~~Development Agreement and Franchise Agreement~~ are generally considered unenforceable in the State of North Dakota.

3. Item 17(v) of this disclosure document is amended to reflect that the jury trial waiver provisions in the ~~Development Agreement and~~ Section 17.3 of the Franchise Agreement are deleted in their entirety.

4. Item 17(w) of this disclosure document is amended to reflect that the choice of law provisions in the ~~Development Agreement and Franchise Agreement~~ may not be enforceable in the State of North Dakota.

5. Notwithstanding Section 17.6 of the Franchise Agreement requiring the franchisee to consent to a waiver of exemplary and punitive damages, this provision is deleted in its entirety.

6. Notwithstanding Section 17.7 of the Franchise Agreement requiring the franchisee to consent to a limitation of claims within one year, the provision is changed to read the statute of limitations under North Dakota Law will apply.

7. Notwithstanding Section 17.8 of the Franchise Agreement stipulating that the franchisee shall pay all costs and expenses incurred by the franchisor in enforcing the Franchise Agreement, the provision is changed to read that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

8. Notwithstanding anything in Item 5 of the disclosure document or in the Franchise Agreement, franchisor will defer all payment of all fees and other payments to franchisor until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.

59. 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.

**ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF SOUTH DAKOTA**

The following language will apply to Disclosure Documents issued in South Dakota and be attached by addendum to Agreements issued in the state of South Dakota:

Payment of the initial franchise fee, initial training fee, opening package purchase and pre-opening marketing materials owed to us will be deferred until we have met our initial obligations to you and you have commenced doing business. This financial assurance requirement was imposed by the South Dakota Securities Regulation Office due to our financial condition.

ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, Item 17 of the Franchise Disclosure Document for use in the Commonwealth of Virginia is amended as follows:

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 ground 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.

Any securities offered or sold by the franchisee as part of the MosquitoNix Franchise, LLC Restaurant must either be registered or exempt from registration under Section 13.1-514 of the Virginia Securities Act.

**ADDENDUM TO MOSQUITONIX FRANCHISE, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WASHINGTON**

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

2. 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.

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

4. A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

6. 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.

8. ~~7.~~ 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.

9. ~~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.

10. In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and training obligations that it is entitled to under the franchise agreement or offering circular,

and (b) is open for business. Initial fees for the purposes of this deferral include all initial franchise fees described in Item 5 of the Franchise Disclosure Document.

11. Notwithstanding Item 6 and the Franchise Agreement, we will not charge you for any taxes charged to us based on your ongoing purchases and fees.

12. Notwithstanding Item 6 and Section 15.4(a) of the Franchise Agreement, the liquidated damages you will pay to us under Section 15.4(a) of the Franchise Agreement will be calculated using the royalty fees only and will be based solely on the royalty fees that would have been paid to us during the next 24 month period under the Franchise Agreement.

13. Notwithstanding Item 6 and Section 17.8 of the Franchise Agreement, you must pay us all damages, costs, and expenses (including legal and court costs and reasonable legal fees) that we incur in enforcing our rights under this Agreement, including, without limitation those incurred in obtaining injunctive or other relief, only if we are the substantially prevailing party in a legal action.

14. Notwithstanding Item 17 and Section 13 of the Franchise Agreement, we will not unreasonably withhold our consent to a proposed transfer in the State of Washington.

15. Notwithstanding Item 17 and Section 13 of the Franchise Agreement, we will provide you a minimum of 180 days after the franchisee's death or permanent disability to affect a transfer in the State of Washington.

16. The following Risk Factor is added to the State Page:

Use of Franchise Brokers. The franchisor uses 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.

State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending <u>March 21, 2024</u>
Maryland	Pending
Michigan	Pending <u>March 22, 2024</u>
Minnesota	Pending
New York	Pending
North Dakota	Pending <u>April 26, 2024</u>
Rhode Island	Pending <u>March 25, 2024</u>
South Dakota	Pending <u>March 22, 2024</u>
Virginia	Pending <u>March 27, 2024</u>
Washington	Pending
Wisconsin	Pending <u>March 21, 2024</u>

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

Print Name: _____
Date: _____

Print Name: _____
Date: _____